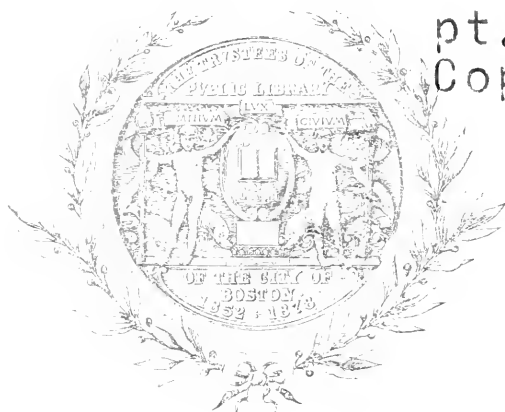


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Pt. 1
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INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

HEARINGS

BEFORE A

SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE UNITED STATES SENATE

EIGHTY-FIRST CONGRESS

SECOND SESSION

PURSUANT TO

S. Res. 202

A RESOLUTION AUTHORIZING AN INVESTIGATION
OF ORGANIZED CRIME IN INTERSTATE
COMMERCE

PART 1

FLORIDA

MAY 26 AND 27, JULY 13, 14, AND 15, AUGUST 9
AND 10, AND SEPTEMBER 19, 22, AND 26, 1950

Printed for the use of the Special Committee to Investigate
Organized Crime in Interstate Commerce



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UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1950



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copy 2

SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN
INTERSTATE COMMERCE

ESTES KEFAUVER, Tennessee, *Chairman*

HERBERT R. O'CONOR, Maryland

CHARLES W. TOBEY, New Hampshire

LESTER C. HUNT, Wyoming

ALEXANDER WILEY, Wisconsin

RUDOLPH HALLEY, *Chief Counsel*

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¹ Returned to witness.

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2 On file with committee.

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¹ Returned to witness.² On file with committee.³ Written into record.

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¹ Returned to witness.

² On file with committee.

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INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

FRIDAY, MAY 26, 1950

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Miami, Fla.

The committee met in the courtroom of the United States district court, Miami, Fla., on May 26, 1950, Senator Estes Kefauver, chairman, presiding.

Present: Senators Kefauver and Hunt.

Also present: Rudolph Halley, chief counsel.

The CHAIRMAN. The committee will come to order. For the record this is the select committee of the United States Senate for the purpose of investigating interstate criminal transactions, appointed by the President of the Senate pursuant to Senate Resolution 202.

Mr. HALLEY. As a courtesy to an attorney, Mr. Robert C. Ward, who represents Mr. Robert Parker, an employee of Charles B. Costar & Co., certified public accountants, let me state this for the record: A subpoena has been served on Mr. Parker, but he claims that he cannot produce certain records in the absence of his employers. He is here with counsel and, since the next witness is going to take a considerable amount of time, I will ask the committee as a courtesy to listen to him now.

The CHAIRMAN. All right.

TESTIMONY OF ROBERT PARKER, ACCOMPANIED BY ROBERT C. WARD, ATTORNEY

Mr. HALLEY. Will you state your name and address for the record, Mr. Parker?

Mr. PARKER. Robert Parker, office address 903 First National Bank Building, Miami, Fla. My home address is 2170 Northwest Fifty-eighth Street, Miami, Fla.

Mr. HALLEY. Mr. Ward, you are counsel for Mr. Parker?

Mr. WARD. Yes, sir.

Mr. HALLEY. What is your full name and address?

Mr. WARD. Robert C. Ward, 1229 du Pont Building, Miami, Fla.

The CHAIRMAN. Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PARKER. I do.

Mr. HALLEY. Mr. Parker, you received a subpoena to produce certain records.

Mr. PARKER. That is right.

Mr. HALLEY. And they are records of Charles B. Costar & Co., certified public accountants?

Mr. PARKER. Well, I don't know whether we have all of those records or not.

Mr. HALLEY. Are you an employee of Charles B. Costar & Co.?

Mr. PARKER. Yes.

Mr. HALLEY. What is your position?

Mr. PARKER. Well, I am more or less in charge in the absence of Mr. Costar.

Mr. HALLEY. Are you in charge?

Mr. PARKER. I am in charge of the procedure of the work, with another man.

Mr. HALLEY. Who is the other gentleman?

Mr. PARKER. Edward J. Diedrich.

Mr. HALLEY. Is he a partner of Mr. Costar?

Mr. PARKER. No.

Mr. HALLEY. Is he associated with him?

Mr. PARKER. He is an employee, the same as I am.

Mr. HALLEY. In their absence you are in charge?

Mr. PARKER. That is right.

Mr. HALLEY. You received a subpoena to bring certain records?

Mr. PARKER. That is right.

Mr. HALLEY. Have you looked to see if those records are on the premises?

Mr. PARKER. No, sir; like I say, I am in charge of the way the flow of work goes on but I don't think I am in charge of the office to the extent that I could take any of the records off or put any back other than on a particular job.

Mr. HALLEY. You received the subpoena?

Mr. PARKER. Yes.

Mr. HALLEY. Is there anything you would like to say about it, Mr. Ward?

Mr. WARD. In the absence of Mr. Costar, as Mr. Parker stated, gentlemen, he is just an employee. Those records that you are after we are willing to give to the committee but until such time as Mr. Costar is back Mr. Parker, as he says, doesn't know where all of the records are or if we have them all. Mr. Costar is on his way down here from Washington at the present time, I believe.

Mr. HALLEY. When will he arrive?

Mr. WARD. His office doesn't know. He was in Johns Hopkins getting a physical check-up and he said he would be in Miami sometime this week end, and at that time we would be perfectly willing to produce the records.

Mr. HALLEY. May I go off the record?

The CHAIRMAN. Yes.

(Discussion off record by permission of the chairman.)

The CHAIRMAN. What is Charles B. Costar & Co., a partnership or corporation?

Mr. PARKER. It is a partnership. There is no such thing as a corporation in the accounting business, no more than there is in the law business.

The CHAIRMAN. Are you the highest one in command in the absence of Mr. Costar?

Mr. PARKER. No; Mr. Diedrieck is.

The CHAIRMAN. Where is he?

Mr. PARKER. He is out of the office and has been out of the office all day working.

The CHAIRMAN. Is the subpoena addressed to Mr. Diedrieck too?

Mr. HALLEY. Yes, but the office has been unable to produce him. Mr. Parker has been in charge and is the only one in the office today.

The CHAIRMAN. You understand that it is not a matter of whether Mr. Costar is willing for the records to be produced. We have subpoenaed the records and if the records are there, we want them.

Mr. PARKER. Let me put it this way: It is not a matter of routine to me in the office if I do something I should not do. I have to work, you know. I don't believe it is within the realm of my job to do that, otherwise I would be willing to do so.

The CHAIRMAN. It is a subpoena of the United States Senate that has been served on you. We do not want to give you any trouble, but this is a select committee of the Senate and we have a right to get those records. You are the man in charge of the office upon whom the subpoena has been served, so it is not a question of whether Mr. Costar wants you to do it. Unless we can be assured that the records will be available, I think we had better instruct Mr. Parker to have them here at 9 o'clock in the morning, subject to a citation of contempt by this committee if he doesn't produce them.

Mr. PARKER. Suppose I find that instead of an armful we have a truckload of them, what assistance will I have in getting them over here?

The CHAIRMAN. We will assist you in getting them over here.

Mr. WARD. Will it be agreeable to have Mr. Parker check the records? He doesn't know at the present time if the records or all of them are over there.

Mr. HALLEY. The records are there. You are probably misinformed. He advised our investigator what records are there, and we know what records are there.

Mr. PARKER. That is wrong.

Mr. HALLEY. Mr. Parker so advised the man who served the subpoena on him. I think now that you are simply delaying matters. The objection is not substantial at all.

The CHAIRMAN. When was this subpoena served upon you?

Mr. PARKER. About 12 o'clock today.

The CHAIRMAN. Have you made any effort to find the records?

Mr. PARKER. When they brought the subpoena there I checked over the names with the secretary and she checked off the names of the ones which to her knowledge we never did any work for and that is what I informed the investigator, the nature of the records we had and which ones we had done no work for.

Mr. HALLEY. The inference being that you had done work for others?

Mr. PARKER. Yes, but that does not necessarily mean that we have any records.

Mr. HALLEY. We are simply wasting time. Go back and check to see what you have and produce them pursuant to the committee's instructions.

Mr. WARD. At 9 o'clock?

The CHAIRMAN. If you get them together in that time without any undue hardship.

Mr. WARD. We can inform you in a little while as to just what is there.

The CHAIRMAN. Suppose you let us know as soon as you can. As soon as Mr. Parker can find out just what he has got in the office, you can inform us over here.

Mr. PARKER. Let me explain one thing. When records get so old they are transferred to storage. As to those in storage, I don't have any idea what they would be. I don't think we can get them by 9 o'clock. If they are 5 or 6 years old they go in storage.

The CHAIRMAN. You can let us know what the situation is by 5:30 today?

Mr. PARKER. Yes; I can give you an idea of what we have in the office.

The CHAIRMAN. We will expect to hear from you by 5:30 today. Thank you.

TESTIMONY OF BEN EISEN AND SEYMOUR EISEN

Mr. HALLEY. What is your name and address?

Mr. EISEN. Ben Eisen, 1308 Harrison Street, Hollywood, Fla.

Mr. HALLEY. This gentleman is your brother?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. State your name and address for the record.

Mr. SEYMOUR EISEN. My name is Seymour Eisen; my address is Hollywood, Fla.

The CHAIRMAN. Do you and each of you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BEN EISEN. I do.

Mr. SEYMOUR EISEN. I do.

Mr. HALLEY. Mr. Eisen, are you an accountant?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. Do you have a certified public accountant's license in the State of Florida?

Mr. BEN EISEN. No, sir. I have no firm at all. I have been here since 1934.

Mr. HALLEY. You operate as an individual?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. Are you a certified public accountant?

Mr. BEN EISEN. No, sir.

Mr. HALLEY. Where is your office?

Mr. BEN EISEN. I have no office.

Mr. HALLEY. Where do you work?

Mr. BEN EISEN. I worked at Gulfstream and the Hollywood Kennel Club. Since 1945 or 1946 I have practically divorced myself from much of the work at Greenacres, Boheme, and Colonial Inn and have given most of my time to Hollywood Inn and Gulfstream.

Mr. HALLEY. A subpoena was served upon you today?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Pursuant to that subpoena have you brought certain records here?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Would you care to produce those records and describe them?

Mr. BEN EISEN. I have quite a few records, sir.

Mr. HALLEY. What records have you brought?

The CHAIRMAN. Let's get them up here and see what we have got.

Mr. BEN EISEN. One of your men was up at the place and took whatever he thought that he wanted. If there is anything else he wants, he can come up and we will be glad to give him anything else he wants.

Mr. HALLEY. Do you work with Mr. Ben Eisen?

Mr. SEYMOUR EISEN. Not under his supervision.

Mr. HALLEY. Do you work for the corporation?

Mr. SEYMOUR EISEN. I work independently.

Mr. HALLEY. In the same office?

Mr. SEYMOUR EISEN. No. I have no office.

Mr. HALLEY. You also work at the Gulfstream Race Track?

Mr. SEYMOUR EISEN. I work at the Gulfstream Race Track as payroll clerk.

Mr. HALLEY. Where else do you work?

Mr. SEYMOUR EISEN. Club Boheme. I use the office of the Colonial.

Mr. HALLEY. Do you use the office of Club Boheme, too?

Mr. SEYMOUR EISEN. No. It is not suitable.

Mr. HALLEY. Will you go ahead and describe the books?

Mr. SEYMOUR EISEN. I have here the Greenacres Casino summary, 1949-50; Greenacres 1950 payroll, Club Boheme 1950 payroll, Boheme Casino, 1948-49 and 1949-50 seasons; Greenacres cash book, 1949-50 and Club Boheme cash book for 1948-49 and 1949-50.

Mr. HALLEY. Mr. Chairman, I offer into evidence as exhibit Nos. 1 through 6, respectively, the books that have just been produced.

The CHAIRMAN. They will be accepted as exhibit Nos. 1 through 6 and will be made a part of the record.

(Greenacres Casino summary 1949-50, ledger, marked "Exhibit 1"; Greenacres payroll ledger, 1950, marked "Exhibit 2"; Club Boheme payroll ledger, 1950, marked "Exhibit 3"; Boheme Casino 1948-49 and 1949-50 seasons, ledger, marked "Exhibit 4"; Greenacres cash book, 1949-50, marked "Exhibit 5"; and Club Boheme cash book, 1948-49 and 1949-50, marked "Exhibit 6." Exhibits later returned to witness after analysis by committee.)

Mr. HALLEY. Will you describe the nature of the business of the Club Boheme?

The CHAIRMAN. Are these boys brothers?

Mr. BEN EISEN. Yes. The Club Boheme is a restaurant and night club.

Mr. HALLEY. Does it have any gambling operations?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Will you describe the gambling operations there?

Mr. BEN EISEN. Well, I don't know how to begin. Can you ask specific questions?

Mr. HALLEY. Yes. Is there a crap game at the Club Boheme?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Roulette wheels up there?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Are there various card games and games of chance operating there?

Mr. BEN EISEN. Yes.

Mr. HALLEY. What are the games of chance operated by Club Boheme?

Mr. BEN EISEN. That's all.

Mr. HALLEY. Is there any horse-race betting at the Club Boheme?

Mr. BEN EISEN. No, sir.

Mr. HALLEY. The gambling takes place in rooms other than the restaurant; is that correct?

Mr. BEN EISEN. Yes.

Mr. HALLEY. In the restaurant there is music?

Mr. BEN EISEN. Yes.

Mr. HALLEY. And entertainment?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. In the form of a night club show; is that right?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. Is the Club Boheme open to the public?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Anyone can go to the Club Boheme and have dinner and see the show; is that correct?

Mr. BEN EISEN. Yes.

Mr. HALLEY. And then can gain entrance to the other rooms in which they can gamble?

Mr. BEN EISEN. I don't know what the procedure is. I never was there to observe it.

Mr. HALLEY. You have been there?

Mr. BEN EISEN. Yes.

Mr. HALLEY. The people could freely walk in and out of the gambling rooms?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Where is the Club Boheme located?

Mr. BEN EISEN. It is located on Route A1A, Hallandale, Fla.

Mr. HALLEY. Do you have records indicating the ownership of the Club Boheme?

Mr. BEN EISEN. Not in my possession. There are tax returns which would indicate that.

Mr. HALLEY. Who prepared the tax returns?

Mr. BEN EISEN. Well, the tax returns were prepared by—I summarized the figures and the tax returns were prepared by George Goldstein, a New Jersey accountant.

Mr. HALLEY. Do you know Goldstein Bros.?

Mr. BEN EISEN. No, sir. They are in Newark, N. J.

Mr. HALLEY. Is that Goldstein & Goldstein?

Mr. BEN EISEN. I don't know.

Mr. HALLEY. Do you have any records indicating the ownership of the Club Boheme?

Mr. BEN EISEN. Not here.

Mr. HALLEY. Do you have them in your office or your home or at the Club Boheme?

Mr. BEN EISEN. I reiterate that the ownership, as far as I know, is what is on the tax returns themselves. There are no others.

Mr. HALLEY. Have you ever seen the tax returns?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Do you recall the ownership as shown on the tax returns?

Mr. BEN EISEN. No, sir.

Mr. HALLEY. Where are the tax returns?

Mr. SEYMOUR EISEN. I have them here.

Mr. HALLEY. Can you produce them now?

Mr. SEYMOUR EISEN. Yes.

Mr. BEN EISEN. He don't know whether you mean the property itself or what. You see, sir, the property is owned by somebody else.

Mr. HALLEY. You have just handed me a document which appears to be a copy of a partnership return of income for 1948 for the Club Boheme. I offer this into evidence.

The CHAIRMAN. It will be received and made a part of the record as exhibit No. 7.

(Copy of income-tax return of Club Boheme, 1948, marked "Exhibit No. 7," later returned to witness after analysis by committee.)

Mr. HALLEY. Where did you get the information for this tax return?

Mr. BEN EISEN. The information was derived from the books and records of the Club Boheme.

Mr. HALLEY. In your possession?

Mr. BEN EISEN. No, sir; at the Club Boheme.

Mr. HALLEY. Are they now at the Club Boheme?

Mr. BEN EISEN. They are right here.

Mr. HALLEY. This return shows certain names which I will recite for the record: Frank Shireman, Samuel L. Bratt, Claude Litteral, Meyer Lansky, Jack Lansky, and George Sadlo, which shows a total distribution there of \$205,470.77. Can you explain the manner in which the distributive share of each of these persons was arrived at?

Mr. BEN EISEN. Well, I could figure it out in a minute for you if you will give me a little time. I thought the percentages would be on here but I don't see them.

Mr. HALLEY. Do you have any other records indicating the percentage ownership of each of these individuals?

Mr. BEN EISEN. It should be in here.

Mr. HALLEY. What other tax returns do you have here?

Mr. BEN EISEN. What tax returns do I have to give to you and what do you want?

Mr. HALLEY. We want all that you have.

Mr. BEN EISEN. Shall I go back a distance?

Mr. HALLEY. Yes. Go ahead and tell the committee what you have.

Mr. BEN EISEN. Well, I have Mr. Lansky's tax returns that go all the way back as far as I can remember. Here they are.

Mr. HALLEY. They are in a folder marked "Jack Lansky, Federal returns, 1936 to 1948"?

Mr. BEN EISEN. 1949 is in there, too.

Mr. HALLEY. I offer this entire folder in evidence as exhibit No. 8.

The CHAIRMAN. It will be received in evidence as exhibit No. 8 and made a part of the record.

Mr. HALLEY. What other tax returns do you have?

Mr. BEN EISEN. Can I ask you something off the record?

Mr. HALLEY. It will go on eventually even if you go off the record. We cannot make any commitments.

Mr. BEN EISEN. I am not asking for anything. All I want to know is to make sure that we will have these tax returns again so that I will be in a position to get the information for the next returns.

The CHAIRMAN. That is assured.

(Folder previously produced and admitted in evidence as exhibit No. 8 contains Jack Lansky Federal returns, 1936 to 1949, also Louisiana and New York returns, and was later returned to witness after analysis by committee.)

Mr. HALLEY. The next exhibit offered is a folder of income-tax returns marked "George Sadlo," which folder is offered in evidence as exhibit No. 9.

The CHAIRMAN. It will be received in evidence as exhibit No. 9 and made a part of the record.

(Folder containing income-tax returns of George Sadlo marked "Exhibit No. 9." Later returned to witness after analysis by committee.)

Mr. HALLEY. The next folder is marked "Income-tax returns of S. L. Bratt," which is offered into evidence as exhibit No. 10.

The CHAIRMAN. It will be received in evidence and made a part of the record as exhibit No. 10.

(Said folder of income-tax returns of S. L. Bratt marked "Exhibit No. 10." Later returned to witness.)

Mr. HALLEY. The next folder is marked "Income-tax returns of Vincent Alo," which is offered in evidence as exhibit No. 11.

The CHAIRMAN. It will be received in evidence and made a part of the record as exhibit No. 11.

(Said folder of income-tax returns of Vincent Alo marked "Exhibit No. 11." Later returned to witness.)

Mr. HALLEY. The next is a folder containing tax returns of William and Ida Bischoff, which is offered in evidence as exhibit No. 12.

The CHAIRMAN. It will be received as exhibit No. 12 and made a part of the record.

(Said folder containing tax returns of William and Ida Bischoff marked "Exhibit No. 12." Later returned to witness.)

Mr. HALLEY. The next folder is a folder containing income-tax returns of Colonial Inn, which is offered in evidence as exhibit No. 13.

The CHAIRMAN. It will be received in evidence and made a part of the record as exhibit No. 13.

(Said folder containing income-tax returns of Colonial Inn marked "Exhibit No. 13." Later returned to witness.)

Mr. HALLEY. Mr. Ben Eisen, will you state what the Colonial Inn is?

Mr. BEN EISEN. The Colonial Inn is Minsky's Burlesque now.

Mr. HALLEY. Is it a place which is now used as a burlesque house?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. What was it formerly?

Mr. BEN EISEN. Night club and casino.

Mr. HALLEY. Gambling casino?

Mr. BEN EISEN. Yes.

Mr. HALLEY. When did it cease to be a gambling casino and become a burlesque house?

Mr. BEN EISEN. I believe the return you have there in your hand is the last one.

Mr. HALLEY. By the return I hold in my hand you refer to the 1948 return?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. Were the operations of the Colonial Inn transferred to some other place?

Mr. BEN EISEN. To the Club Boheme. The same shareholders run the Club Boheme—not all the same but a majority of them. You can check the names on the 1948 return with those on the return of the Club Boheme, and you can probably see the name as shown.

Mr. HALLEY. What is the Greenacres Club?

Mr. BEN EISEN. Restaurant and casino.

Mr. HALLEY. Is Greenacres the same as the Colonial Inn?

Mr. BEN EISEN. No, sir.

Mr. HALLEY. Is Greenacres still operating as a gambling casino and restaurant?

Mr. BEN EISEN. It is closed now.

Mr. HALLEY. Was it operating during the past winter?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. Will you state whether or not you have here the income tax returns for Greenacres?

Mr. BEN EISEN. Yes [produces returns]. The schedules are inside.

Mr. HALLEY. You have handed me a folder of income tax returns for the Greenacres and William H. Bischoff, known as Greenacres Club. Are these all of the income tax returns for the Greenacres Club?

Mr. BEN EISEN. Yes.

Mr. HALLEY. I offer them in evidence as exhibit No. 14.

The CHAIRMAN. The folder will be received in evidence and made a part of the record as exhibit No. 14.

(Folder containing income tax returns of Greenacres and William H. Bischoff, trading as Greenacres Club, 1945 through 1949, marked "Exhibit No. 14." Later returned to witness.)

Mr. HALLEY. Greenacres Club is located where?

Mr. BEN EISEN. In Broward County. I don't believe it is in any town. It is county "property."

Mr. HALLEY. Broward County is the county immediately adjacent to the county in which Miami is located; is that right?

Mr. BEN EISEN. That is right.

Mr. HALLEY. Greenacres Club is a place which serves meals?

Mr. BEN EISEN. That is right.

Mr. HALLEY. Does it also have entertainment?

Mr. BEN EISEN. No entertainment.

Mr. HALLEY. Does it have gambling, card games, roulette, and so forth?

Mr. BEN EISEN. Yes.

Mr. HALLEY. And what other games of chance, would you say?

Mr. BEN EISEN. They had a wheel there.

Mr. HALLEY. Roulette wheel?

Mr. BEN EISEN. Not roulette. What do you call it? It is called the Big Six wheel—that is what they call it.

Mr. HALLEY. Does it have card games?

Mr. BEN EISEN. I believe it has.

Mr. HALLEY. Do you have the 1949 return for Greenacres? I see the last one here is 1948.

Mr. BEN EISEN. No; that year is not over yet.

Mr. HALLEY. You are on a fiscal year ending October 31, 1949?

Mr. BEN EISEN. Right.

Mr. HALLEY. This return shows the following as the owners of Greenacres Club: Greenacres 60 percent and W. H. Bischoff 40 percent. Is there a breakdown of the parties in interest of Greenacres?

Mr. BEN EISEN. I believe in this particular return the 60 percent of Greenacres is transferred over to Boheme and picked up in that return with all of the other partners. Do you want to check that now?

Mr. HALLEY. Yes; we will do that now.

Mr. BEN EISEN. Where is that return you just had?

Senator HUNT. It is on the bottom there. It is exhibit 8.

Mr. BEN EISEN. It is picked up in the—the 60 percent was picked up over here. It was picked up in this income-tax return and you will probably see it when you check the record.

Mr. HALLEY. Do you have the return for William H. Bischoff?

Mr. BEN EISEN. Yes. I just gave you the folder. Here it is—the Greenacres, the one that you just had in your hand. You see it right here, “income from partnership of Greenacres, \$133,233.88.”

Mr. HALLEY. Will you look at the return for the Club Boheme? Do you have that there?

Mr. BEN EISEN. You have it.

Senator HUNT. It is Exhibit No. 8.

Mr. HALLEY. I will now turn to the return for Colonial Inn. I note that among the owners of Colonial Inn in your previous year, 1947–48, there appeared F. Erickson, but he does not appear among the owners of the Club Boheme on the tax return. Do you know whether or not Frank Erickson had any beneficial interest in the Club Boheme?

Mr. BEN EISEN. None that I know of.

Mr. HALLEY. I notice that B. Briggs has 5 percent of Colonial Inn. Does B. Briggs have any beneficial interest in Club Boheme?

Mr. BEN EISEN. Not that I know of.

Mr. HALLEY. I notice that Joe Doto had 15 percent of the Colonial Inn. Do you know Joe Doto by another name?

Mr. BEN EISEN. Yes.

Mr. HALLEY. By what other name?

Mr. BEN EISEN. Joe Adonis.

Mr. HALLEY. Does Joe Adonis by that name or any other name have any interest in the Club Boheme?

Mr. BEN EISEN. No.

Mr. HALLEY. When the Colonial Inn was converted from a gambling casino to a burlesque house, were the accounts closed formally?

Mr. BEN EISEN. I believe they were.

Mr. HALLEY. Did you handle that transaction?

Mr. BEN EISEN. No.

Mr. HALLEY. Who did?

Mr. BEN EISEN. Mr. Lansky.

Mr. HALLEY. What accountant made up the account?

Mr. BEN EISEN. We didn't have any.

Mr. HALLEY. No accountants?

Mr. BEN EISEN. No.

Mr. HALLEY. Are you referring to Jack Lansky?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. Who gave Jack Lansky the figures with which to close the accounts for Colonial Inn?

Mr. BEN EISEN. He took the figures from the final report.

Mr. HALLEY. You mean that you used the income-tax report as the final report?

Mr. BEN EISEN. Right.

Mr. HALLEY. Was there a more full report given to the participants than the income-tax report?

Mr. BEN EISEN. No.

Mr. HALLEY. Do you have possession of the canceled checks for the Colonial Inn?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. Do you have the final distribution that was made to the partners of Colonial Inn?

Mr. BEN EISEN. No, sir.

Mr. HALLEY. Where are the books that were used for that final distribution?

Mr. BEN EISEN. I don't believe that they were paid by checks.

Mr. HALLEY. How were they paid?

Mr. BEN EISEN. In cash, I believe.

Mr. HALLEY. How much cash was involved?

Mr. BEN EISEN. I don't know. I wasn't at the closing, sir.

Mr. HALLEY. You are an accountant. You certainly must be able to guess how much cash the Colonial Inn had at the end of business.

Mr. BEN EISEN. The records will show that.

Mr. HALLEY. Will you look at the records and tell me?

Mr. BEN EISEN. I don't have the records here.

Mr. SEYMOUR EISEN. We brought the current stuff down first. Anything else we will produce, if you need it.

Mr. HALLEY. Can you produce the record of the Colonial Inn?

Mr. SEYMOUR EISEN. Yes, sir.

Mr. HALLEY. Will you produce that tomorrow morning at 9 o'clock?

Mr. SEYMOUR EISEN. Yes, sir.

Mr. HALLEY. Are you familiar with the records?

Mr. SEYMOUR EISEN. Yes.

Mr. HALLEY. Do you know how much cash was available for distribution at the time the Colonial Inn closed?

Mr. SEYMOUR EISEN. No, sir.

Mr. BEN EISEN. The records will show exactly what cash there was at the end of the period, because it is recorded in the records. Let me have one of those things there. It is copied right in here and also the money in the bank is there, so that would be the cash at the end of the period.

Mr. HALLEY. Where did you get your figures for the daily receipts of the Colonial Inn?

Mr. BEN EISEN. From the cash book.

Mr. HALLEY. Who kept the cash book?

Mr. BEN EISEN. Seymour.

Mr. HALLEY. Where did Seymour get the figures with which to keep the cash book?

Mr. SEYMOUR EISEN. The cash book is a daily or monthly summary, however you want it, of the business transactions. It shows the disposition of moneys put in the bank and pay-outs for expenses.

Mr. HALLEY. Were you in charge of the bookkeeping operations of the Colonial Inn?

Mr. SEYMOUR EISEN. Yes, sir.

Mr. HALLEY. From day to day?

Mr. SEYMOUR EISEN. Yes, sir.

Mr. HALLEY. Are you in charge of the day-to-day bookkeeping operations at the Club Boheme?

Mr. SEYMOUR EISEN. Yes, sir.

Mr. HALLEY. At the end of the day do you personally count the cash?

Mr. SEYMOUR EISEN. No, sir.

Mr. HALLEY. Who gives you the figures each day of cash receipts and cash disbursements?

Mr. SEYMOUR EISEN. The cash receipts in the restaurant are counted by me and are deposited in the bank by me. The cash distributions are recorded and checks are made periodically.

Mr. HALLEY. Let's turn to the gambling casino. Who counts the cash receipts there?

Mr. SEYMOUR EISEN. I had nothing to do with that.

Mr. HALLEY. Do the books reflect the profits of the gambling casino?

Mr. SEYMOUR EISEN. Yes; there is a record kept of the gambling casino income.

Mr. HALLEY. Daily?

Mr. SEYMOUR EISEN. Daily.

Mr. HALLEY. Do you keep that record?

Mr. SEYMOUR EISEN. No.

Mr. HALLEY. Who kept it?

Mr. SEYMOUR EISEN. Mr. Lansky.

Mr. HALLEY. Personally?

Mr. SEYMOUR EISEN. He submitted it to me at the end of the season and I analyzed it.

Mr. HALLEY. What do you mean by analyzed it?

Mr. SEYMOUR EISEN. I can show you better than I can explain it.

Mr. HALLEY. Will you do that?

Mr. SEYMOUR EISEN. I will turn to the Boheme Casino, to the date January 3, 1950. This is the sheet that was handed to me at the end of the year and I summarized it and analyzed it. Now in this book here let's look for the date January 3, and it shows: "win \$1,385; loss, \$128; cigars, etc., \$21.65." Now, sir, that is the extent of that day.

Mr. HALLEY. Does that purport to be a page covering that day's operations?

Mr. SEYMOUR EISEN. Yes.

Mr. HALLEY. You don't receive these pages each day; is that correct?

Mr. SEYMOUR EISEN. No, sir.

Mr. HALLEY. Who handed you these pages at the end of the season, the 1950 season?

Mr. SEYMOUR EISEN. I don't remember what individual handed them to me; I just got them and summarized them.

Mr. HALLEY. You got them all in a batch?

Mr. SEYMOUR EISEN. Yes, sir.

Mr. HALLEY. Will you search your memory and state to this committee who handed you the batch of papers in this exhibit entitled

"Cash Receipts and Disbursements" for the Club Boheme gambling operations?

Mr. SEYMOUR EISEN. No one handed it to me. The only way it happens is this: I would go into the casino room at the cashier's table and that is where it was and I just took them.

Mr. HALLEY. Some time ago you said that Mr. Lansky himself kept that record; is that correct?

Mr. SEYMOUR EISEN. As far as I know; yes.

Mr. HALLEY. Is that his handwriting?

Mr. SEYMOUR EISEN. I don't know.

Mr. HALLEY. We are looking at page dated 1-3-50, which presumably means January 3, 1950. In the upper right-hand column there is shown a balance of \$175,886.83. Do you recognize that handwriting at all?

Mr. SEYMOUR EISEN. No, sir.

Mr. HALLEY. Did you ever see anybody making these sheets out?

Mr. SEYMOUR EISEN. No, sir.

Mr. HALLEY. Who told you these sheets existed?

Mr. SEYMOUR EISEN. Mr. Lansky had the records.

Mr. HALLEY. Which Mr. Lansky?

Mr. SEYMOUR EISEN. Jack Lansky I am referring to, sir.

Mr. HALLEY. What records does he have?

Mr. SEYMOUR EISEN. He is in charge of all records, and I did the work for him as bookkeeper.

Mr. HALLEY. At the end of each night's operations is the cash counted?

Mr. SEYMOUR EISEN. May I explain something here. There are two divisions to this, the restaurant and the casino. I handled the restaurant.

Mr. HALLEY. You count the cash each night at the restaurant?

Mr. SEYMOUR EISEN. Yes; and I make the deposits.

Mr. HALLEY. You don't count the cash at the casino?

Mr. SEYMOUR EISEN. I have nothing to do with that until the end of the year, when I put it in this book.

Mr. HALLEY. Who counts the cash at the casino?

Mr. SEYMOUR EISEN. I don't know.

Mr. HALLEY. You are there every night?

Mr. SEYMOUR EISEN. I am there part of the night and during the day.

Mr. HALLEY. You were there at the end of the night's operations in the dining room?

Mr. SEYMOUR EISEN. Yes.

Mr. HALLEY. Who is in charge of the casino?

Mr. SEYMOUR EISEN. Mr. Lansky.

Mr. HALLEY. Jack Lansky?

Mr. SEYMOUR EISEN. Yes, sir.

Mr. HALLEY. Is he there every night, substantially every night?

Mr. SEYMOUR EISEN. Yes.

Mr. HALLEY. Do the books reflect the people employed in the casino?

Mr. SEYMOUR EISEN. Yes, sir.

Mr. HALLEY. What books reflect it?

Mr. SEYMOUR EISEN. The payroll books.

Mr. HALLEY. What exhibit is that?

Mr. SEYMOUR EISEN. I submitted them to you.

Mr. HALLEY. They are in evidence?

Mr. SEYMOUR EISEN. Yes, sir.

Mr. BEN EISEN. Can I help you out a little?

Mr. HALLEY. Yes.

Mr. BEN EISEN. I just want to explain something here. If my brother had to stay there every night and watch them count the money, he would be there until 5 or 6 o'clock in the morning, because these places don't close until very late, and the entire gambling casino is in charge of Mr. Lansky, in main control there, and he prepares his own summary that will be reflected in the books. At the end of the night I can probably tell you myself that after they close each table the take the money and put it in the cashier's cage and they count it down.

Mr. HALLEY. Who counts it?

Mr. BEN EISEN. Mr. Lansky.

Mr. HALLEY. Personally?

Mr. BEN EISEN. Yes; or Mr. Sadlo, or whoever is there with him.

Mr. HALLEY. One of the partners supervises it?

Mr. BEN EISEN. Yes. One of the partners counts it and another partner checks it with him. In the casino they have a cashier at the cashier's cage where all of the "take" is taken, and those figures in all probability are the cashier's figures, and you can find out who he is by looking in the payroll book which reflects the cashier's crap men and everybody.

Mr. HALLEY. It is your opinion that this handwriting here is the handwriting of the cashier?

Mr. BEN EISEN. That is right. It is not Jack Lansky's handwriting.

Mr. HALLEY. You are familiar with the handwriting of Jack Lansky?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Do you know the cashier's name?

Mr. BEN EISEN. George Brown and Joseph Kirby.

Mr. HALLEY. That is something that can be furnished later and at some length?

Mr. BEN EISEN. All right.

Mr. HALLEY. Who runs the Greenacres' operations?

Mr. BEN EISEN. Samuel L. Bratt.

Mr. HALLEY. Is Edward G. Bischoff connected with Greenacres?

Mr. BEN EISEN. Edward? It is William.

Mr. HALLEY. You have it William H. Bischoff here.

Mr. BEN EISEN. That is right.

Mr. HALLEY. Is he connected with Greenacres' operations?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Who runs the big crap game at the Greenacres?

Mr. BEN EISEN. William H. Bischoff and Greenacres have a 60-40 partnership.

Mr. HALLEY. Who actually operates it, supervises the operations?

Mr. BEN EISEN. Mr. Bischoff.

Mr. HALLEY. Do you know a Mr. Joe Massei?

Mr. BEN EISEN. No.

Mr. HALLEY. Did you ever hear of the name?

Mr. BEN EISEN. In the papers; yes.

Mr. HALLEY. Have you ever seen anybody by the name of Joe Massei?

Mr. BEN EISEN. Never saw him.

Mr. HALLEY. Have you ever seen Joe Massei, Seymour?

Mr. SEYMOUR EISEN. No.

Mr. HALLEY. Have you ever heard of any connection with Greenacres or the Colonial Inn, either direct or indirect, by Joe Massei or have you seen any records indicating such participation?

Mr. BEN EISEN. No.

Mr. HALLEY. What other records do you have here?

Mr. BEN EISEN. These are the same thing—Greenacres. You will note that this Greenacres is operated in two sections; one is the restaurant and the other is the casino. One is the 60-40 ownership, this part over here, and I just pointed out to you the restaurant end, and this other one here is the gambling end.

Mr. HALLEY. It is in the gambling that you have the 60-40 percentage; is that right?

Mr. BEN EISEN. Let me illustrate.

Mr. HALLEY. Go ahead.

Mr. BEN EISEN. The Bischoff-Greenacres has the main game; that is the big game, as they call it. Now the wheel and the Bix Six are run by the restaurant, and the restaurant takes that and puts it in its income along with the income from the food, drinks, and so forth.

Mr. HALLEY. In other words, the tax returns in exhibit No. 14 reflect the income from the big game?

Mr. BEN EISEN. That is right.

Mr. HALLEY. Do I understand correctly that the tax return that is filed each year for Greenacres and Bischoff is a tax return on one crap game?

Mr. BEN EISEN. That is right.

Mr. HALLEY. Known colloquially as the big crap game?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. Which is run by Bischoff?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. Isn't it a fact that Joe Massei has been interested in the big game, too?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Don't they call it the New York crap game, too?

Mr. BEN EISEN. Yes.

Mr. HALLEY. There is other gambling at the Greenacres?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Is there another table where the stakes are smaller?

Mr. BEN EISEN. Yes.

Mr. HALLEY. Roulette wheels?

Mr. BEN EISEN. Yes.

Mr. HALLEY. A separate return is filed for the other gambling operations?

Mr. BEN EISEN. Only for the wheel and the restaurant, which is together.

Mr. HALLEY. How about the smaller crap game?

Mr. BEN EISEN. That is taken into the big crap game, which handles the "craps."

Mr. HALLEY. All of the crap games are reflected in the returns of the Greenacres-Bischoff combination, exhibit No. 14?

Mr. BEN EISEN. That is right.

Mr. HALLEY. Now, you have produced here another batch of returns in a folder entitled "Greenacres Regular," which I will offer in evidence as exhibit No. 15.

The CHAIRMAN. It will be received and made a part of the record as exhibit No. 15.

(Said folder containing income-tax returns of Greenacres Club, for 1944 through 1949, marked "Exhibit No. 15," returned to witness.)

Mr. HALLEY. Will you describe the income that is indicated in these return constituting exhibit No. 15?

Mr. BEN EISEN. I am giving you everything I have got, so you can have a little file about it. If it is not on top, then it is inside. This one here is for 1944. It should be in another folder here.

Mr. HALLEY. Let's find it now. Let's make sure they are all in one folder, in one exhibit.

Mr. SEYMOUR EISEN. There is none for 1949-50 yet.

Mr. HALLEY. How about 1948-49?

Mr. SEYMOUR EISEN. Here it is.

Mr. HALLEY. You have handed me one ending October 31, 1949.

Mr. BEN EISEN. It must be in here somewhere; maybe it is mixed up in here somewhere here before 1949. See? This is the Bischoff one and this is the Greenacres. Is that right?

Mr. HALLEY. I don't know. You tell me.

Mr. BEN EISEN. Yes, this is for Greenacres. Now you have them up to 1949.

Mr. HALLEY. So we have exhibit Nos. 14 and 15 properly identified?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. Exhibit No. 16, which is offered in evidence, is a partnership return of income tax from January 17, 1946, to April 3, 1946, entitled "Frank Erickson, Bert Briggs, and Colonial Inn."

The CHAIRMAN. It will be received in evidence and made a part of the record as exhibit No. 16. (Later returned to witness.)

Mr. HALLEY. Let it be known that the business or profession is noted on the record as booking, too.

The CHAIRMAN. It will be so noted.

Mr. BEN EISEN. This money here is shown as income to the Colonial Inn, and then it is picked up in—

Mr. HALLEY. In other words, the income shown in exhibit No. 16 is picked up in another return?

Mr. BEN EISEN. That is right.

Mr. HALLEY. This holder is what?

Mr. BEN EISEN. This shows the ownership of the Colonial realty, the property.

Mr. HALLEY. And in this folder is the return showing the property income?

Mr. BEN EISEN. Yes; and the sale of the property to Greenacres.

Mr. HALLEY. I offer it in evidence.

The CHAIRMAN. It will be received in evidence and made a part of the record as exhibit No. 17.

(Said folder identified as above marked "Exhibit No. 17." Later returned to witness.)

Mr. HALLEY. As a convenience to you these folders will be kept together.

Mr. BEN EISEN. Thank you.

Mr. HALLEY. I would now like to go back to the cessation of the operations at Colonial Inn and the start of the operations at Club Boheme. The Colonial Inn operated through 1948; is that right?

Mr. BEN EISEN. Yes, sir.

Mr. HALLEY. And the very next year Club Boheme started; is that right?

Mr. BEN EISEN. Yes.

Mr. HALLEY. According to your records and your testimony Frank Erickson and Bert Briggs no longer participate in the operations; is that correct?

Mr. BEN EISEN. In the Boheme?

Mr. HALLEY. Yes.

Mr. BEN EISEN. That is right.

Mr. HALLEY. Can you explain the circumstances under which they dropped out of that operation?

Mr. BEN EISEN. I don't know.

Mr. HALLEY. Have you ever done any accounting for Frank Erickson?

Mr. BEN EISEN. No.

Mr. HALLEY. Have you ever done any personal accounting for Frank Erickson?

Mr. BEN EISEN. Never.

Mr. HALLEY. Do you do any personal accounting for Bert Briggs?

Mr. BEN EISEN. No.

Mr. HALLEY. Have you ever?

Mr. BEN EISEN. No, sir; aside from giving them a statement at times of their booking, when he brought me the figures I made up a statement of the accounts and it reflected the profits, of which Colonial Inn received one-half, and I believe later on Boheme had an interest with him.

Mr. HALLEY. Do you have any correspondence that you have brought with you with Erickson or Briggs?

Mr. BEN EISEN. No. I didn't keep any correspondence with them. The only thing I did was to answer a letter their accountant sent me, which I received around January sometime, and he was in an awful rush to get an idea of the share that Briggs or Erickson had, and I wrote him a letter and told him exactly what the figures showed, and told him that the tax returns would follow as soon as they were drawn up.

Mr. HALLEY. Do you have a copy of the letter to which you refer?

Mr. BEN EISEN. No. I don't keep them.

Mr. HALLEY. You don't keep copies of letters?

Mr. BEN EISEN. No. I don't write many.

Mr. HALLEY. What is that accountant's name?

Mr. BEN EISEN. Andy Pellino.

Mr. HALLEY. What is his address?

Mr. BEN EISEN. I believe it is Fifth Avenue, New York City.

Mr. HALLEY. Do you recall in the year 1948 writing a letter to Andy Pellino about the income of Briggs and Erickson?

Mr. BEN EISEN. Yes.

Mr. HALLEY. And that was 2 years ago?

Mr. BEN EISEN. I believe it was.

Mr. HALLEY. Why does that letter stand out in your memory?

Mr. BEN EISEN. It could only be a schedule of what their share of the profits were from the Colonial Inn, if it was 1948, and also their share of the profits from the books, so that they could enter it on their returns.

Mr. HALLEY. What other letters did you write Andy Pellino? Did you write him from time to time or just once?

Mr. BEN EISEN. I don't believe I ever wrote more than two letters to him.

Mr. HALLEY. In each case stating income?

Mr. BEN EISEN. Yes; always income. They would ask me what it was and I would just answer his letter and sign it.

Mr. HALLEY. You know Andy Pellino pretty well?

Mr. BEN EISEN. I have known him a long time but I never had any business with him except these two letters.

Mr. HALLEY. What books did you refer to?

Mr. BEN EISEN. They had a book in the Hollywood Beach Hotel.

Mr. HALLEY. What kind of a book?

Mr. BEN EISEN. Horse book.

Mr. HALLEY. Who ran it?

Mr. BEN EISEN. Bert Briggs.

Mr. HALLEY. Who owned it?

Mr. BEN EISEN. Bert Briggs, I suppose; it was in his place.

Mr. HALLEY. Did Frank Erickson have an interest in it?

Mr. BEN EISEN. Yes.

Mr. HALLEY. In what years did they have these books?

Mr. BEN EISEN. The books ran all through the Boheme or the Colonial Inn, we will say, because the income was picked up in both returns.

Mr. HALLEY. You also know that Frank Erickson alone or with others has a gambling concession at the Boca Raton?

Mr. BEN EISEN. I don't know.

Mr. HALLEY. Isn't it also a fact that Frank Erickson, without or with associates or partners, has a gambling concession or interest at the Roney-Plaza Hotel?

Mr. BEN EISEN. I don't know.

Mr. HALLEY. Do you know whether or not Frank Erickson has employees or agents accepting bets at the race tracks in and around Miami?

Mr. BEN EISEN. I don't know.

Mr. HALLEY. Did you ever discuss with Erickson the reason why Erickson and Briggs did not participate in the Club Boheme?

These questions are addressed also to your brother, Seymour Eisen. Do you know the answers to any of those questions?

Mr. SEYMOUR EISEN. No, sir.

Mr. HALLEY. Did Jack or Meyer Lansky ever discuss with you, Seymour, the reasons why Frank Erickson don't participate in the Club Boheme?

Mr. SEYMOUR EISEN. No; they never talked or discussed that with me at all.

(Recess.)

Mr. HALLEY. Was there a horse book at Colonial Inn?

Mr. BEN EISEN. No, sir.

Mr. HALLEY. Or at Greenacres?

Mr. BEN EISEN. No.

Mr. HALLEY. Or Club Boheme?

Mr. BEN EISEN. No, sir.

Mr. HALLEY. Are your answers to the questions the same?

Mr. SEYMOUR EISEN. Yes, sir.

Mr. HALLEY. Was there ever a horse wire in any of those clubs?

Mr. BEN EISEN. No, sir.

Mr. SEYMOUR EISEN. I never saw none.

Mr. HALLEY. Did they have a ticker service at any of these places?

Mr. BEN EISEN. None of those places.

Mr. HALLEY. Did you ever hear of a place called the Farm Casino?

Mr. BEN EISEN. Where?

Mr. HALLEY. F-a-r-m Casino, in Broward County.

Mr. BEN EISEN. That is the farm. There hasn't been any gambling there in years.

Mr. HALLEY. Was there once gambling at the farm?

Mr. BEN EISEN. Yes. They were enjoined a long time ago; long before the Colonial Inn.

Mr. HALLEY. Who owns the farm?

Mr. BEN EISEN. The farm was owned by Jack Lansky.

Mr. HALLEY. Did Frank Erickson have a part of it?

Mr. BEN EISEN. No, sir.

Mr. HALLEY. I would like to turn to the rest of the reports and get them into evidence.

Exhibit No. 18 is a folder containing statements of restaurant charges for Club Boheme to customers for February 1950.

(Folder of statements of restaurant charges for Club Boheme to customers for February 1950 received in evidence as exhibit No. 18. Later returned to witness.)

Mr. HALLEY. Next is a folder containing unpaid bills of Club Boheme.

(Folder of unpaid bills for Club Boheme received in evidence, marked "Exhibit No. 19." Later returned to witness.)

Mr. SEYMOUR EISEN. Here is a miscellaneous checking account.

Mr. HALLEY. We want to get all of your vouchers and checks together. You have a box of vouchers.

Mr. SEYMOUR EISEN. This is the Greenacres checking account. There are others which I haven't got here.

Mr. HALLEY. As exhibit No. 20, I offer a box containing canceled checks of Club Boheme.

(Checks Nos. 1 through 1822 on First National Bank of Hollywood, Fla., received in evidence as exhibit No. 20. Later returned to witness.)

Mr. HALLEY. Mr. Eisen, will you state whether exhibit No. 20 contains all of the canceled vouchers and bank statements of Club Boheme in your possession?

Mr. SEYMOUR EISEN. I don't know what is here, sir. I would have to look to see what is in here.

Mr. HALLEY. Would you rather I put it this way: Do you know of any that you have that are not in this box?

Mr. SEYMOUR EISEN. There are other records around, but I don't know which records. I will bring them up, as we told Mr. Rice, anytime he wants it.

Mr. BEN EISEN. We were in such a hurry to get down here. We got together whatever was there and brought it down.

Mr. HALLEY. If Mr. Rice visits the office, where are they located?

Mr. SEYMOUR EISEN. Right now everything is at the farm in Hal-
landale.

Mr. HALLEY. If Mr. Rice visits the farm during sometime next
week, will you cooperate and give him any other records he needs?

Mr. BEN EISEN. Yes, sir.

Mr. SEYMOUR EISEN. All the records that he wants; all the records
I have.

Mr. HALLEY. Do you have any canceled checks for the Greenacres?

Mr. SEYMOUR EISEN. There is a box of them.

Mr. HALLEY. Here is a box of canceled checks and bank statements
for Greenacres, which I offer in evidence as exhibit No. 21.

The CHAIRMAN. It will be received and made a part of the record.

(Box of bank statements and canceled checks of Greenacres
Restaurant received in evidence as exhibit No. 21. Later returned to
witness.)

Mr. SEYMOUR EISEN. I have a group of duplicating deposit slips for
Greenacres and Club Boheme. That is what it amounts to.

Mr. HALLEY. How many books of deposit slips are there?

Mr. SEYMOUR EISEN. Six.

Mr. HALLEY. I offer the entire six as one exhibit, exhibit No. 22.

The CHAIRMAN. Let it be received and made a part of the record.

(Six books of deposit slips for Greenacres and Club Boheme received
in evidence as exhibit No. 22. Later returned to witness.)

Mr. HALLEY. A batch of some canceled checks and bank statements
of the Club Boheme and payroll-tax account are offered in evidence as
exhibit No. 23.

The CHAIRMAN. It is received and made a part of the record.

(Canceled checks and bank statement of Club Boheme and payroll-
tax account received in evidence as exhibit No. 23. Later returned to
witness.)

Mr. SEYMOUR EISEN. Here are three checkbooks and two check-stub
records of both the Club Boheme and Greenacres.

Mr. HALLEY. I offer them all in evidence as exhibit No. 24.

The CHAIRMAN. It will be made a part of the record.

(Three checkbooks and two check-stub records of Club Boheme and
Greenacres received in evidence as exhibit No. 24. Later returned to
witness.)

Mr. HALLEY. A folder of miscellaneous papers, correspondence, etc.

Mr. BEN EISEN. That was just laying on the table.

Mr. HALLEY. It is offered in evidence as exhibit No. 25.

The CHAIRMAN. It will be received and made a part of the record.

(Folder of miscellaneous papers of Samuel L. Bratt, Club Green-
acres, the farm, Club Boheme, received in evidence as exhibit No. 25.
Later returned to witness.)

Mr. SEYMOUR EISEN. Here are some Greenacres paid and unpaid
bills that go with that.

Mr. HALLEY. What do you have next?

Mr. SEYMOUR EISEN. Sales-tax reports, State of Florida.

Mr. HALLEY. For what? Greenacres Restaurant?

Mr. SEYMOUR EISEN. Yes.

Mr. HALLEY. I offer it in evidence as exhibit No. 26.

The CHAIRMAN. It will be received and made a part of the record.

(Sales-tax reports, State of Florida, Greenacres Restaurant, received in evidence as exhibit No. 26. Later returned to witness.)

Mr. HALLEY. We will add to exhibit No. 24 one other check-stub book.

The CHAIRMAN. It is so ordered.

Mr. SEYMOUR EISEN. Other accounts receivable.

Mr. HALLEY. Accounts receivable and paid for Club Boheme?

Mr. SEYMOUR EISEN. Yes, Club Boheme, 1948-49 season.

Mr. HALLEY. Offered in evidence as exhibit No. 27.

The CHAIRMAN. It will be received and made a part of the record. (Accounts receivable and paid, Club Boheme, 1948-49 season, received in evidence as exhibit No. 27. Later returned to witness.)

Mr. HALLEY. The current checkbook of Club Boheme is offered in evidence as a separate exhibit, No. 28.

The CHAIRMAN. It will be received and made a part of the record.

(Current checkbook for Club Boheme received in evidence as exhibit No. 28. Later returned to witness.)

Mr. HALLEY. A batch of seven folders on payroll taxes is offered as exhibit No. 29, identified as follows: 29-A, the farm; 29-B, Colonial Inn; 29-C, Greenacres and Bishop; 29-D, Greenacres; 29-E, George Scherman et al.; 29-F Club Boheme; 29-G, combination Greenacres and Bishop.

The CHAIRMAN. Let them be received and made a part of the record. (Seven folders on payroll taxes, marked "Exhibit Nos. 29-A through 29-G, inclusive, received in evidence. Later returned to witness.)

Mr. SEYMOUR EISEN. Sales-tax reports, cabaret-tax reports, and bank statements, Club Boheme.

Mr. HALLEY. The folders so described are offered as exhibit No. 30.

The CHAIRMAN. It will be made a part of the record.

(Sales-tax reports, cabaret-tax reports, and bank statements, Club Boheme, received in evidence as exhibit No. 30. Later returned to witness.)

Mr. HALLEY. Two folders as previously described by the witness as accident reports, offered as exhibit Nos. 31-A and 31-B.

The CHAIRMAN. Let them be received and made a part of the record. (Accident reports, Club Boheme, received in evidence as exhibit Nos. 31-A and 31-B. Later returned to witness.)

Mr. HALLEY. The lease on Club Boheme is offered as exhibit No. 32.

The CHAIRMAN. It will be received and made a part of the record. (Lease on Club Boheme received in evidence as exhibit No. 32. Later returned to witness.)

Mr. HALLEY. Contribution folder, Club Boheme, and charities, etc., is offered as exhibit No. 33.

The CHAIRMAN. It will be received and made a part of the record. (Contribution folder, Club Boheme, and charities received in evidence as exhibit No. 33. Later returned to witness.)

Mr. HALLEY. A folder of realty leases for the Colonial Inn, offered as exhibit No. 34.

The CHAIRMAN. Let it be received and made a part of the record. (Folder of realty leases for Colonial Inn received in evidence as exhibit No. 34. Later returned to witness.)

Mr. HALLEY. A folder entitled "Show Contracts" for the Club Boheme is offered in evidence as exhibit No. 35.

The CHAIRMAN. Let it be received and made part of the record.

(Folder entitled "Show Contracts" received in evidence as exhibit No. 35. Later returned to witness.)

Mr. HALLEY. Miscellaneous correspondence folder for the Colonial Inn is offered as exhibit No. 36.

The CHAIRMAN. Let it be received and made a part of the record.

(Miscellaneous correspondence folder for Colonial Inn received in evidence as exhibit No. 36. Later returned to witness.)

Mr. HALLEY. Cabaret-tax folder for the Colonial Inn is offered as exhibit No. 37.)

The CHAIRMAN. Let it be received and made a part of the record.

(Cabaret-tax folder for Colonial Inn received in evidence as exhibit No. 37. Later returned to witness.)

Mr. HALLEY. Minute book for Bouche's La Boheme, Inc., is offered exhibit No. 38.

The CHAIRMAN. It will be received and made a part of the record.

(Minute book for Bouche's La Boheme Inc., received in evidence as exhibit No. 38. Later returned to witness.)

Mr. HALLEY. What is Bouche's La Boheme?

Mr. SEYMOUR EISEN. It is now the property of Club Boheme.

Mr. HALLEY. Just what is it? What is this corporation; do you know?

Mr. SEYMOUR EISEN. I do not.

Mr. HALLEY. Is it a building?

Mr. SEYMOUR EISEN. I don't know. I had nothing ever to do with it. These are the reports we inherited in cleaning up.

Mr. HALLEY. One folder of miscellaneous papers offered in evidence as exhibit No. 39.

The CHAIRMAN. Let it be received and made a part of the record.

(Exhibit No. 39 contains the following: Stock certificates for Bouche's La Boheme, Inc., and book of blank stock certificates; agreement dated January 9, 1947, between Richard Melvin of Miami and Hy Ginnis of Chicago, pertaining to Club Boheme; inventory of Club Boheme and various legal documents re Club Boheme, the Hampshire Corp., Hy Ginnis, Albert Bouche, Edna Bouche, and Noel Montfiori; bank statement and canceled checks re Greenacres, Club Boheme tax account and Club Boheme cabaret account. Later returned to witness.)

The CHAIRMAN. Let the record show that the committee will work in cooperation with you, and that Seymour Eisen says anything he can do he will do, and that the representatives of the committee may see any bills or any current reports that they need to see.

Mr. HALLEY. Mr. Ben Eisen, returning to the exhibit which is the cash receipts and disbursements on the gambling at Colonial Inn—is this La Boheme—Club Boheme—I think you identified the handwriting on the individual sheets and I think we were talking about a sheet dated January 3, 1950, so I will turn to that again. Is that the signature of the cashier?

Mr. BEN EISEN. That is right.

Mr. HALLEY. Do you remember the name of the cashier?

Mr. BEN EISEN. I will give you the cashier's name. His name is Joe Kirby.

Mr. HALLEY. Will you spell that?

Mr. BEN EISEN. K-i-r-b-y. And George Brown.

Mr. HALLEY. Which one's is that handwriting?

Mr. BEN EISEN. I don't know; either one. They have almost the same handwriting. If you look through here, they are pretty close. This might be George Brown and that might be Joe Kirby.

Mr. HALLEY. Where are they?

Mr. BEN EISEN. They are here. One is here.

Mr. HALLEY. Which one is here?

Mr. BEN EISEN. Kirby is here.

Mr. HALLEY. Where is he?

Mr. BEN EISEN. Living in Hollywood.

Mr. HALLEY. Do you know his address?

Mr. BEN EISEN. No; I don't know his address, but I think the records will show it.

Mr. HALLEY. Where is Brown?

Mr. BEN EISEN. Brown just finished working at the art gallery and he went up to New York. They are up on a buying trip. He will probably be back soon.

Mr. HALLEY. I don't want to seem to pry, but it seems to me there might be a few more papers in this brief case.

Mr. BEN EISEN. They are mine, unless you want those blanks.

Mr. HALLEY. Not relating to these clients?

Mr. BEN EISEN. You can look at them if you like.

Mr. HALLEY. No; you are testifying under oath.

Mr. Chairman, I respectfully suggest that the witness be excused for the present and that the subpoena be adjourned sine die subject to recall by the committee at such time as the committee sees fit.

The CHAIRMAN. That will be done, but before we do that, perhaps Senator Hunt may have a few questions he wishes to ask.

Senator HUNT. No; I haven't any.

The CHAIRMAN. I have one or two that I would like to ask.

You referred to Bobo, I believe, as Joe Adonis. Was that you that did that?

Mr. BEN EISEN. Yes, sir.

The CHAIRMAN. Do you know Joe Adonis?

Mr. BEN EISEN. Yes, sir.

The CHAIRMAN. How come he was called "Bobo"?

Mr. BEN EISEN. I believe "Joe Doto," sir, was his right name.

The CHAIRMAN. Joe Doto?

Mr. BEN EISEN. His nickname is "Adonis," as far as I know.

The CHAIRMAN. Is he carried on all of these books as Joe Doto rather than Joe Adonis?

Mr. BEN EISEN. That is right.

The CHAIRMAN. Does the record show what interest Joe Doto or Joe Adonis has now in Club Boheme or any of these clubs that we have been talking about?

Mr. BEN EISEN. Yes, sir; the record shows it.

Mr. HALLEY. When did you last see Joe Adonis or Joe Doto?

Mr. BEN EISEN. I don't think I saw him this year at all. I saw him last year.

The CHAIRMAN. Are any other people carried on here by any other than the names by which we know them? Frank Costello, for instance—does he have some other name?

Mr. BEN EISEN. No.

The CHAIRMAN. Or Frank Erickson?

Mr. BEN EISEN. No.

The CHAIRMAN. There is one point I didn't understand and that was your statement that when a dividend was made at the end of the season, when the various interests were paid off, you didn't have any record to show me how much they were paid; is that correct?

Mr. BEN EISEN. No; I just said that the—I wasn't there when any dividends were paid.

The CHAIRMAN. You said they were paid in cash?

Mr. BEN EISEN. That is right.

The CHAIRMAN. Who did the paying?

Mr. BEN EISEN. Mr. Lansky.

The CHAIRMAN. Do you know why they were paid in cash rather than by check?

Mr. BEN EISEN. No, sir.

The CHAIRMAN. Don't you have any idea?

Mr. BEN EISEN. It seems to have been the custom.

The CHAIRMAN. There was a——

Mr. BEN EISEN. They paid that way all the time. I never questioned why they didn't pay in checks or why they paid in cash.

The CHAIRMAN. The money was kept in a bank, wasn't it?

Mr. BEN EISEN. Yes, sir.

The CHAIRMAN. Who would draw the money out of the bank?

Mr. BEN EISEN. Mr. Lansky.

The CHAIRMAN. And they got the cash?

Mr. BEN EISEN. Yes, sir. It could also have been left in the bankroll; the bankroll cash that they used daily.

The CHAIRMAN. Did they have a safety-deposit box?

Mr. BEN EISEN. Yes, sir.

The CHAIRMAN. Where was that box?

Mr. BEN EISEN. At the Club Boheme.

The CHAIRMAN. How about in one of the banks?

Mr. BEN EISEN. I don't know.

The CHAIRMAN. Do you know, Seymour?

Mr. SEYMOUR EISEN. No, sir.

The CHAIRMAN. Were you ever there, Ben, when a dividend was paid in cash?

Mr. BEN EISEN. No, sir.

The CHAIRMAN. Were you, Seymour?

Mr. SEYMOUR EISEN. No, sir.

The CHAIRMAN. Do you know why it was paid in cash rather than being paid by check?

Mr. SEYMOUR EISEN. I don't know, sir.

Mr. BEN EISEN. We have never been out there—I have never been and I know Seymour hasn't been—whenever they closed.

The CHAIRMAN. Why would anyone pay in cash rather than by check? The money was kept in the bank, wasn't it, deposited in the bank?

Mr. BEN EISEN. No, sir.

The CHAIRMAN. They had no bank deposits?

Mr. BEN EISEN. Yes, but all the money wasn't deposited. The bankroll was always kept in cash at the casino. The only deposit they made would be for—if somebody paid them by check and they deposited that money in the bank, then draw it out and they would

still have that in the bankroll all the time. When the restaurant needed any money, they would draw a check from the casino and deposit it in the restaurant account.

The CHAIRMAN. What percentage of the money taken in in the joint operation would you say was deposited in the bank?

Mr. BEN EISEN. That is hard to figure, sir.

The CHAIRMAN. What is your best guess; about?

Mr. BEN EISEN. It seems to me like the amount of money in the bank was never very much, because the restaurant was always short of money. The restaurant actually lost money every time they operated. Seymour could probably give you a little more information.

The CHAIRMAN. What is your information, Seymour?

Mr. SEYMOUR EISEN. All the money of the restaurant is deposited in the bank daily. The money from the casino I don't know about.

The CHAIRMAN. The record shows here that on some days the Casino won a net of more than \$1,000. Would that money all be kept together until the end of the season?

Mr. SEYMOUR EISEN. It could possibly be.

The CHAIRMAN. Do you know whether it was or not?

Mr. SEYMOUR EISEN. No, sir.

The CHAIRMAN. Who would have kept the money?

Mr. SEYMOUR EISEN. Mr. Lansky.

The CHAIRMAN. Did he have a safe at the Casino?

Mr. SEYMOUR EISEN. There is a safe at the Casino.

The CHAIRMAN. Were you ever present when a dividend was paid at the end of the season?

Mr. SEYMOUR EISEN. No, sir.

The CHAIRMAN. Senator Hunt?

Senator HUNT. For the record I think it ought to be clear that if you refer to the bank, you don't mean the commercial bank; you mean the bank at the Casino?

Mr. BEN EISEN. No, sir. All the restaurant money was deposited in the bank account in the bank.

Senator HUNT. But the money from the Casino was not?

Mr. BEN EISEN. No, sir.

Senator HUNT. You have been referring always to the bank as the bank of the casino, haven't you? You used the term meaning—

Mr. BEN EISEN. Bankroll.

Senator HUNT. Meaning a bankroll?

Mr. BEN EISEN. Yes, sir.

Senator HUNT. I see.

The CHAIRMAN. Ben and Seymour, you will be—

Mr. HALLEY. There is just one other line of questioning that was called to my attention.

You also do the accounting, do you not, Ben, for the Hollywood Kennel Club?

Mr. BEN EISEN. I am comptroller there. I am not the accountant. We have the accountant come in at the end of the season and make up the report for the State and for the income tax.

Mr. HALLEY. You haven't yet given us those records for the Hollywood Kennel Club.

Mr. BEN EISEN. No, I didn't bring any records for the Hollywood Kennel Club, but I will be glad to.

Mr. HALLEY. You will give them to us?

Mr. BEN EISEN. Whatever you want, I will be glad to have you come up and check it.

Mr. HALLEY. Does Mr. Erickson own any part of the Hollywood Kennel Club?

Mr. BEN EISEN. No, sir.

Mr. HALLEY. None whatsoever?

Mr. BEN EISEN. No, sir.

Mr. HALLEY. Does Mr. Briggs?

Mr. BEN EISEN. No, sir.

Mr. HALLEY. Do you know whether or not Joe Adonis is related to Costello?

Mr. BEN EISEN. Only from the paper I know he is a nephew.

Mr. HALLEY. Joe Adonis is Costello's nephew; is that right?

Mr. BEN EISEN. Yes.

The CHAIRMAN. Did you ask whether Frank Erickson owns any part of the Kennel Club?

Mr. BEN EISEN. Yes, sir; he doesn't.

The CHAIRMAN. The record will show who owns it.

Mr. BEN EISEN. Yes, sir.

The CHAIRMAN. How many owners are there?

Mr. BEN EISEN. There are, I believe, six shareholders.

The CHAIRMAN. Can you tell us who they are?

Mr. BEN EISEN. Yes, sir. William J. Sims, Sr.; William J. Sims, Jr.; Florence Strong; Lee McRichie; Mrs. Barbara Roberts; and there is an old lady from Long Island who has about nine shares. I just can't think of her name right now, but I will have it for you when you need it.

There are 661 shares in the Hollywood Kennel Club.

The CHAIRMAN. Is there anything further, Mr. Halley?

Mr. HALLEY. Yes, sir; are there any wire-service outlets at the farm?

Mr. BEN EISEN. I don't know, sir.

Mr. HALLEY. Don't you operate at the farm?

Mr. BEN EISEN. No, sir; there is nothing operating at the farm.

Mr. HALLEY. Don't you keep the books there?

Mr. BEN EISEN. We just put them over there for storage. After giving up the Club Boheme lease, they took all the stuff out.

Mr. HALLEY. Is it possible that a wire service could be operating there without your knowledge?

Mr. BEN EISEN. Sure.

Mr. HALLEY. Seymour, do you know whether or not a wire service operates at the farm?

Mr. SEYMOUR EISEN. I don't know of any wire service at the farm, sir.

Mr. HALLEY. Thank you. That is all.

The subpoenas that have been served upon you, Ben and Seymour, are continuous in effect subject to further order of the committee.

Mr. BEN EISEN. Right. Is there anything else this afternoon?

Mr. HALLEY. We have some more witnesses.

TESTIMONY OF MRS. HAZEL HIBBS

Mr. HALLEY. Will you state your name?

Mrs. HIBBS. Mrs. Hibbs; Hazel Hibbs; H-i-b-b-s.

Mr. HALLEY. What is your address, Mrs. Hibbs?

Mrs. HIBBS. 246 Northwest Thirty-first Street.

Mr. HALLEY. Miami?

Mrs. HIBBS. Miami.

The CHAIRMAN. Mrs. Hibbs, under the rules of the committee, all witnesses have to be sworn. Will you rise?

Do you solemnly swear that the testimony you are about to give the committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mrs. HIBBS. I do.

Mr. HALLEY. Mrs. Hibbs, will you tell us where you are employed?

Mrs. HIBBS. I work for Louis Gillman, Certified Public Accountant.

Mr. HALLEY. Louis Gillman; G-i-l-l-m-a-n?

Mrs. HIBBS. That is right.

Mr. HALLEY. Where is Mr. Gillman's office located?

Mrs. HIBBS. 1224 Ingraham Building.

Mr. HALLEY. Miami?

Mrs. HIBBS. Miami.

Mr. HALLEY. Do you know whether or not Mr. Gillman does the accounting work for a firm known as the S & G Investment Co.?

Mrs. HIBBS. I have never seen anything on it.

Mr. HALLEY. Have you ever seen anything on the S & G Syndicate?

Mrs. HIBBS. No, I haven't.

Mr. HALLEY. Do you know where Mr. Gillman is?

Mrs. HIBBS. He went to Cuba today with the Shrine convention.

Mr. HALLEY. Is he expected back?

Mrs. HIBBS. He will be back Monday.

Mr. HALLEY. Will you state where he lives?

Mrs. HIBBS. I think the address is 427 Northeast Twenty-sixth Street; I believe that is right.

Mr. HALLEY. In Miami?

Mrs. HIBBS. In Miami.

Mr. HALLEY. How long have you worked for Mr. Gillman?

Mrs. HIBBS. About 8 years.

Mr. HALLEY. In what capacity?

Mrs. HIBBS. As his secretary.

Mr. HALLEY. How many people are in Mr. Gillman's office?

Mrs. HIBBS. At the present time I believe are two young ladies and about four boys; about six people, you might say.

Mr. HALLEY. What are the functions and duties of each of the young ladies?

Mrs. HIBBS. They are typists.

Mr. HALLEY. Are they subordinate to you?

Mrs. HIBBS. Yes, sir.

Mr. HALLEY. And the boys do what?

Mrs. HIBBS. The boys are auditors.

Mr. HALLEY. Do they work directly under Mr. Gillman?

Mrs. HIBBS. Yes, sir.

Mr. HALLEY. Are you generally familiar with Mr. Gillman's accounts.

Mrs. HIBBS. I know what accounts he has and audits.

Mr. HALLEY. Have you ever heard of Mr. Harry Russell?

Mrs. HIBBS. No, I haven't.

Mr. HALLEY. Have you ever heard of Mr. Harold Salvey?

Mrs. HIBBS. No, I haven't.

Mr. HALLEY. Mr. Charles Friedman?

Mrs. HIBBS. No; I don't.

Mr. HALLEY. Mr. Jules Levitt?

Mrs. HIBBS. No; I never heard of him.

Mr. HALLEY. Samuel P. Cohen?

Mrs. HIBBS. Yes, I have.

Mr. HALLEY. You have heard of Mr. Samuel P. Cohen?

Mrs. HIBBS. Yes, sir.

Mr. HALLEY. Is he a client or customer of Mr. Gillman's?

Mrs. HIBBS. I believe he is a brother-in-law of Mr. Gillman's. I think that is the relationship.

Mr. HALLEY. In what business is Mr. Cohen?

Mrs. HIBBS. I honestly don't know what he does.

Mr. HALLEY. Does Mr. Gillman do any accounting for Mr. Samuel P. Cohen?

Mrs. HIBBS. I believe he made up his income tax. That is the only thing I know of.

Mr. HALLEY. Have you ever heard of Mr. Edward Rosenbaum?

Mrs. HIBBS. Yes, I did.

Mr. HALLEY. Would you say who he is?

Mrs. HIBBS. I don't know who he is. He was in the office, but that is as far as I know.

Mr. HALLEY. Does Mr. Gillman or his company do any accounting for Mr. Edward Rosenbaum?

Mrs. HIBBS. No. I think several years ago he made up an income tax for him, but not recently.

Mr. HALLEY. Has Mr. Rosenbaum been in the office recently?

Mrs. HIBBS. No; he hasn't.

Mr. HALLEY. Have you ever heard of Mr. Joseph Friedlander?

Mrs. HIBBS. No, I don't know him.

Mr. HALLEY. Mr. Jack Friedlander?

Mrs. HIBBS. No.

Mr. HALLEY. Have you ever heard of the wire service dealing with horse-race information?

Mrs. HIBBS. No. My work is strictly accounting, and I have charge of the typing department and the files.

Mr. HALLEY. Does Mr. Gillman do the accounting work for any people in the bookmaking business?

Mrs. HIBBS. No, I wouldn't know that. I wouldn't know whether he is connected with bookmaking or not.

Mr. HALLEY. But you might from the files have noticed whether the business of certain of his customers was bookmaking?

Mrs. HIBBS. Not that I know of. I wouldn't know whether he was or not.

Mr. HALLEY. I am not quite sure I understand your answer. Is it that you wouldn't know or that you don't know of any?

Mrs. HIBBS. I don't know of any.

Mr. HALLEY. In other words, to your best knowledge, there are no customers or clients of Mr. Gillman's who are in the bookmaking business?

Mrs. HIBBS. Not that I know of.

Mr. HALLEY. I have no further questions, Mr. Chairman.

The CHAIRMAN. Senator Hunt?

Senator HUNT. I have no questions.

The CHAIRMAN. Thank you very much, Mrs. Hibbs.

TESTIMONY OF ABE ALLENBERG

Mr. HALLEY. Will you state your name?

Mr. ALLENBERG. Abe Allenberg.

Mr. HALLEY. What is your address?

Mr. ALLENBERG. 3301 Collins Avenue.

Mr. HALLEY. The Robert Richter Hotel?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Mr. Allenberg, will you stand and hold up your right hand? Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Mr. Allenberg, you were served by me with a subpoena duces tecum?

Mr. ALLENBERG. Yes, sir; I was.

Mr. HALLEY. That subpoena asked for certain records?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Do you care to make a statement about those records?

Mr. ALLENBERG. Whatever papers I have are over at the Boulevard Hotel in packages, because I was at the hotel. My lease expired and we were moving out of there and we wrapped everything up in bundles and I would have to go over and open the bundles and see how many papers I have on the Tropical Park situation, Tropical Park Manor and the Wofford Hotel. All the papers that I have will be over there.

Mr. HALLEY. These papers relate, do they not, Mr. Allenberg, to the ownership of certain interests in the Tropical Park Race Track which was in your possession as a trustee; is that correct?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And to the ownership of an interest in the leasehold of the Wofford Hotel?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And do they also relate to the ownership of the Boulevard Hotel?

Mr. ALLENBERG. No; it would be the lease of the Boulevard Hotel.

Mr. HALLEY. And to various other ventures in which Mr. Frank Erickson appears in one way or another?

Mr. ALLENBERG. Mr. Erickson does not appear in the Boulevard Hotel at any time.

The CHAIRMAN. When are you going to get the records?

Mr. ALLENBERG. As soon as I can. By tomorrow afternoon I will try to have them. The building is closed up and it is dark there at night. I will go there tomorrow morning.

The CHAIRMAN. All right, sir.

**TESTIMONY OF CHARLES B. COSTAR, ACCOMPANIED BY
WILLIAM G. WARD, ATTORNEY**

Mr. HALLEY. Your full name is Charles B. Costar?

Mr. COSTAR. Yes, sir.

Mr. HALLEY. Your address is the First National Bank Building, Miami, Fla?

Mr. COSTAR. Yes, sir; 903, if you want the room number.

The CHAIRMAN. Mr. Costar, do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. COSTAR. I do.

Mr. HALLEY. Mr. William G. Ward is appearing as attorney.

Mr. WARD. Personal attorney for Mr. Costar.

Mr. HALLEY. What is your address?

Mr. WARD. 1229 Dupont Building.

Mr. HALLEY. Do you want to make a statement, Mr. Ward?

Mr. WARD. I want to make this statement: When Mr. Costar called me about 3:30, I was advised by telephone at about 2 o'clock or 2:30 that my associate Robert Ward came down here and Mr. Costar told me what the situation was. He is an accountant here with some large practice and a large office and I told him to get whatever files he had available and bring them down even though he was not subpoenaed. So he is here for the purpose in his professional capacity of giving you any information he has, and if you want more files or records, they are available to you.

I also want to make this statement: With reference to his constitutional rights, not on behalf of himself but on private information which he has for some of these clients, I assume the usual laws apply, the same as the other, and unless the client himself claims immunity, he is privileged to give whatever information he has.

The CHAIRMAN. That is our usual resolution. We appreciate your cooperation, Mr. Ward.

Mr. COSTAR. Senator, may I say this: I haven't yet received the subpoena, and as I told you a moment ago, they looked for me and I wasn't there. My wife met me at the train and said, "They were looking for you."

I wanted to let you know I want to cooperate with you.

The CHAIRMAN. We appreciate that.

I think it would be best to serve a subpoena on Mr. Costar.

Mr. HALLEY. The subpoena which you issued, Senator Kefauver, was issued to Mr. William B. Deegan. May I amend it to insert my name instead?

The CHAIRMAN. Let it be amended.

Mr. HALLEY. And I will serve it upon Mr. Costar. Would you like to read it, then we can talk about it?

Mr. COSTAR. I have read the print. Now I want to read the typewritten matter [reading].

All right, sir.

Mr. HALLEY. Did you ever represent the Farm Casino?

Mr. COSTAR. Yes, sir.

Mr. HALLEY. Do you now?

Mr. COSTAR. Well, that operated on the—as I recall from memory, it was only one season, and when I say "one season" I mean a period

of 4, 5, or 6 weeks; maybe not that long. What we call the season probably is anywhere from December through March or April.

Mr. HALLEY. Were you handling the accounting for the Farm Casino during that period?

Mr. COSTAR. My office was; yes, sir.

Mr. HALLEY. Were you personally familiar with it?

Mr. COSTAR. We were familiar to this extent: They gave us daily reports of their operations and from that we wrote up records and filed their taxes; their tax returns.

Mr. HALLEY. Who were the owners of the Farm Casino?

Mr. COSTAR. It was a joint venture or partnership composed of—

The CHAIRMAN. Mr. Costar, when did the Farm Casino operate? You say it operated one season?

Mr. COSTAR. Yes, sir.

Mr. HALLEY. What season?

Mr. COSTAR. I will try to tell you from the file I have on it. It is the only file. The period January 7 to April 30, 1944, and as I recall, that is the only time it operated.

Mr. HALLEY. Do you have the records pertaining to the Farm Casino available now?

Mr. COSTAR. This is the only thing I have, Mr. Halley. This is a power of attorney and a letter of protest protesting the findings of the agent. Let me qualify that.

We have been able to find in the short time I have been in the office this afternoon—

Mr. HALLEY. Do you have the income-tax returns?

Mr. COSTAR. No, sir; I don't have it with me. We may not have it. As a general rule, when the Treasury Department gets through with the two or three clients I represented that are in this business, we destroy them. After the assessments have been made of the returns and the returns have been examined and they paid their deficiency, if there is any due, and so forth, we just don't waste that space.

Mr. HALLEY. Is it your testimony that you have destroyed the tax returns representing or relating to the Farm Casino?

Mr. COSTAR. Not until I check further. I told you I got into my office at about 3 o'clock and we checked to get as much as I could together to come over here.

Mr. HALLEY. Did you check to see if you had the checks and tax returns too relating to Farm Casino?

Mr. COSTAR. No. All the files and things I have here and if there is anything—

Mr. HALLEY. What files do you have to deliver to the committee?

Mr. COSTAR. The only one I have is this tax case.

Mr. HALLEY. Would you deliver that now pursuant to the subpoena?

Mr. COSTAR. Yes, sir; but I would like to have an inventory of it.

Mr. HALLEY. That can be done.

Mr. COSTAR. In detail. I would like to have a detailed inventory.

Mr. HALLEY. Would you make your inventory and we will certify to it.

Mr. COSTAR. All right, sir.

The CHAIRMAN. Under those conditions, it will be made a part of the record and Mr. Costar, we will work with you in getting any of these back to you as quickly as possible.

Mr. COSTAR. Senator, may I say this: For all or anything that I have in my office, you don't have to have a subpoena. Just come and get it, and if you want to have your people come there and work, I will make them comfortable and give them a place to work in. We want to cooperate with you. We have a number of accounts there and over the years we have accumulated a lot of files.

Mr. HALLEY. Did you ever represent Frank Erickson personally?

Mr. COSTAR. No., sir. The only way Mr. Erickson has ever appeared in my files was through this Farm Casino, he being one of the participants.

Mr. HALLEY. The Farm Casino is engaged in the gambling business?

Mr. COSTAR. Yes, sir. It was a joint venture composed of a number of men that operated it. Yes; they gambled out there. They had, I believe, a crap game. I was never out there, and I am talking from hearsay. I have never seen the operation, but I guess that would cover it.

Mr. HALLEY. Do you represent any other clients who are in the gambling business? I am not confining my questions to the matters in the subpoena.

Mr. COSTAR. Yes, sir. I would say that Charlie Thomas would be classified as in the gambling business.

Mr. HALLEY. Would you spell the name?

Mr. COSTAR. Charles Thomas.

Mr. HALLEY. Any others?

Mr. COSTAR. And Jack Friedlander.

Mr. HALLEY. Do you still represent those two?

Mr. COSTAR. Yes, sir.

Mr. HALLEY. Any others?

Mr. COSTAR. Dave Byer. He is now deceased. He has been dead for 2 years this May—this month.

Mr. HALLEY. Any others?

Mr. COSTAR. That is all I can think of right at the moment. These others that are on here—Padget, Dyer, and Wall—those fellows have been in this Farm Casino I know in operation with these other men, but individually and personally I haven't represented either one of those.

Mr. HALLEY. You understand the question is not confined to the names recited on the subpoena. Do you represent any other people at all or company whose venture is in the gambling business?

Mr. COSTAR. There is one that you don't have on here that comes to my mind, and that is Murl Yarborough—M-u-r-l.

Mr. HALLEY. Could we take these in order and would you state their business. First I think you mentioned Dave Byer.

Mr. COSTAR. Yes, sir.

Mr. HALLEY. In what business is he?

Mr. COSTAR. When he was alive he was interested in the operations of Mr. Thomas, the same operations, and was a partner in this joint venture of the Farm Casino.

Mr. HALLEY. What is the present operation of Mr. Thomas?

Mr. COSTAR. Mr. Thomas didn't do anything this last year, so far as I know.

Mr. HALLEY. What was his last——

Mr. COSTAR. His last operation that he participated in was the casino in Miami.

Mr. HALLEY. What was the name of it?

Mr. COSTAR. Club 86.

Mr. HALLEY. Was that a joint venture?

Mr. COSTAR. Yes, sir.

Mr. HALLEY. Do you recall, without the aid of a document, the others in the joint venture?

Mr. COSTAR. No, I don't. There are a number of them. Mr. Halley, and I may have overlooked some of them. Mr. Thomas was in it, Mr. Friedlander and Mr. Yarbrough. I am not sure whether Mr. Dyer was or not. I would have to refer to the record. There was a number of them.

I personally don't do a lot of this work, and I would have to go to the records to be sure that I was telling you a true statement of facts.

Mr. HALLEY. Are there any other gambling businesses or ventures of Charles Thomas which you recall now?

Mr. COSTAR. Mr. Halley, I believe he has an interest in what you call the numbers game, but I am not sure about that. I would have to go to the records.

Mr. HALLEY. For the committee's benefit, would you state what you mean by a numbers game?

Mr. COSTAR. Just for the lack of a better name, perhaps, in Cuba they have a lottery, and they sell tickets here, as I understand, on the ending number; that is, from zero to 99. You can call that bolita or lottery or numbers or whatever else. I have heard this and I don't know from actual experience, but they have a daily operation that they operate, and whether he is in it or not, I don't know. That is something he will have to answer because I make up his returns strictly from the information that he brings in on those operations; the figures that they submit on those operations.

Mr. HALLEY. You have those records and will turn them over to the committee?

Mr. COSTAR. Yes, sir.

Mr. HALLEY. What are the operations of Jack Friedlander?

Mr. COSTAR. Club 86. Other than that I don't know except that in preparing his return he tells me that he made this much money here, that much there and elsewhere, and that is what we report on the return.

Mr. HALLEY. Do these people—let us say Friedlander specifically—give you any records to support their statements?

Mr. COSTAR. Most of their operations are confined to joint ventures and partnerships, and the income is from that source.

Mr. HALLEY. Is the income generally cash in the form of bills rather than bankable checks?

Mr. COSTAR. In Club 86, Mr. Halley, we have a very complete set of records. The other operations—and please make note of this until I can verify it from the records—so far as I can recall, the other operations are maintained by other accountants—who they are, I don't know, but they will come in at the end of the year or at tax return time, and he will say, "This is what I made from this operation or that" and so on and so forth.

Senator HUNT. May I ask: What do you mean by "an operation"?

Mr. COSTAR. Well, assuming that he has an interest in a baseball pool. I am just using it as an illustration. I don't know, Senator. He will come in and say, "Charlie, here is what I made on the baseball pool last year." With that in mind, I will say, "Who are the partners," and he will say, "Just don't worry about that. This is a partnership," and I will put that down on his return, or pass the information on to my auditor to make up his return.

The only one I can recall right now without going to the records that we actually kept the records on—and that is in a strictly supervisory way—we are not there to keep the detail of it—is the Club 86. The others he brings the information in to me.

Senator HUNT. Do you know if this Club 86 has like games going in any other city or any other State, with a like organization or a like set-up?

Mr. COSTAR. Not to my knowledge. I don't know, Senator. I know the Club 86 operation, but other than that I don't know anything about it. We have a complete set of records on their operation out there.

Mr. HALLEY. The committee has seen a number of complete sets of records—may I interpolate—because I am trying to get your views as an expert rather than examining you on anything that you should by inference think concerns you.

The committee has seen a number of so-called complete sets of records which when examined carefully turn out to be dependent upon unverified figures concerning the handling of large amounts of cash which never get to a commercial bank and are simply stated from day to day or week to week.

When you refer to a complete set of records, do you go behind the figures given you concerning the handling of cash?

Mr. COSTAR. No, sir; we don't. That would be impossible, Mr. Halley, unless we had a crap table or a roulette table, but the internal control we have out there is quite good.

Mr. HALLEY. Isn't it a fact that in all these gambling operations the income day after day is in the form of large amounts of cash which are never banked?

Mr. COSTAR. Well, no; I wouldn't say that. I would say—and I think the records will speak better than I can speak—as I recall, their routine is to put a large amount in the bank every day because they always handle a lot of checks and they have to be cleared, and so forth.

Mr. HALLEY. Over and above what goes into the bank, isn't there a large amount that never does go into the bank?

Mr. COSTAR. I don't believe so, Mr. Halley. I don't know. The record would have to answer that for me. I would like to refer to that instead of my memory.

Mr. HALLEY. Would you say or do you know it to be a practice of any gambling establishment to deposit each day the total receipts of the day before in the bank?

Mr. COSTAR. I have advocated it, and up to a point—and what that point is we will have to get from the record—they do deposit the day's receipts, whether in cash or in checks.

Mr. HALLEY. Do you mean they deposit a part of the day's receipts?

Mr. COSTAR. They deposit the entire receipts. I have advocated that, but whether they followed it through or not, I don't know.

Mr. HALLEY. Did you ever attempt to ascertain whether any of your clients have taken that advice?

Mr. COSTAR. Bear in mind that the man on my staff is the man doing the work. I have told them that and if they don't do it 100 percent of the time, or 90 or 40 percent or 20 percent—as I said, the record will speak for itself better than I can tell.

Mr. HALLEY. Are your men on the premises each night?

Mr. COSTAR. No, sir.

Mr. HALLEY. Your men have to take the statements of the people who are there?

Mr. COSTAR. That is correct. We strictly prepare their returns, and in the case of Club 86 we write up the books and records from the daily sheets and reports that are submitted to us.

Mr. HALLEY. Do you check the records in the case of Club 86 and any other gambling ventures which you audit to ascertain whether, on the face of the records, there are not comparatively large sums of cash which never are deposited in the bank?

Mr. COSTAR. Even their records as going into their own bank.

Mr. HALLEY. What do you mean by "their own bank"?

Mr. COSTAR. They are just like a race track. They operate on the same principle. The race track has a bank roll that they call the B. R.—\$300,000 or \$500,000, and they maintain that figure, or upward. It may run up to \$500,000. Let us assume that they start with a bank roll of \$300,000. That may be high down here, or maybe \$100,000, but the principle is there, and if they don't deposit it, it will increase their bank roll.

Mr. HALLEY. That is in the form of cash on hand?

Mr. COSTAR. Yes.

Mr. HALLEY. Which they record but keep on the premises?

Mr. COSTAR. Yes. It is kept in the armored truck. The armored-truck people handle it.

Mr. HALLEY. Where do the armored-truck people put it?

Mr. COSTAR. In the safety-deposit vault. I know they are insured and they are responsible for it.

Mr. HALLEY. Do you mean that all cash on the premises each night is delivered to the armored truck?

Mr. COSTAR. Oh, yes.

Mr. HALLEY. They do not have vaults of their own?

Mr. COSTAR. They have a small safe out there, but this bank roll I have been told has been turned over to the armored-truck people.

Mr. HALLEY. Who are the armored-truck people?

Mr. COSTAR. The only one here is Rolfe Armored Truck.

Mr. HALLEY. How do you spell it?

Mr. COSTAR. R-o-l-f-e.

Mr. HALLEY. Do they service the various gambling establishments?

Mr. COSTAR. I don't know. I know they service the Club 86. That is the only armored-truck service I know of, and I would say they service all.

Mr. HALLEY. From a tax-accounting standpoint, the practice, if it does exist, of having sums of cash which are not deposited in the commercial bank daily would leave the possibility of having income which would not be reported or recorded in any way, would it not?

Mr. COSTAR. No.

Mr. HALLEY. How is it subject to control? Aren't you depending on what you are told by your client?

Mr. COSTAR. I just told you that they start with a bank roll of \$300,000 or whatever it may be. That fluctuates either up or down either in the bank or on deposit in the cash account.

Mr. HALLEY. On a particular day, say January 2 or 3 of 1950, the bank roll starts at \$300,000, and from the night's operations they make \$15,000. Is there any way in the world to show whether they have \$15,000 or whether they put in their own records \$10,000 and kept \$5,000 in their safe or in their pocket?

Mr. COSTAR. I think I answered that a moment ago when I said there was an internal control.

Their procedure is that they have a money room, the same as a race track operates, and that money is put in there. The table is set up, and I get the procedure, and they charge that operator with so much money. They put whatever is necessary to give him enough change. He sells chips. If he gets too much money on the table he turns it into the money room, or he puts the cash in a little slit and it drops down into a box. Then somebody comes around and opens the box with a key. They don't operate that way around here. I have never seen that.

Mr. HALLEY. Suppose he sells \$100 worth of chips.

Mr. COSTAR. His money is lying in a box.

Mr. HALLEY. And that is emptied from time to time?

Mr. COSTAR. Yes, sir.

Mr. HALLEY. And if he wins, there are chips back on the next play. There is no record of that, is there? Does he keep any record of each play?

Mr. COSTAR. No.

Mr. HALLEY. He could deal \$100 worth of chips over and above that all night long and there would be no way to tell whether he sold his \$100 worth of chips 10 times or a hundred times.

Mr. COSTAR. Sure. If he starts with \$5,000 and he ends up with \$30,000, he must have won \$25,000.

Mr. HALLEY. You can't tell that if they empty the money as it is won, which goes into a drawer periodically and emptied by one of the employees of the house.

Mr. COSTAR. But a record is kept in the money room.

Mr. HALLEY. What happens to the money in between?

Mr. COSTAR. They receipt him for what they have taken off.

Mr. HALLEY. Do they give the teller a cash receipt?

Mr. COSTAR. Yes.

Mr. HALLEY. What does he do with those receipts?

Mr. COSTAR. I don't know.

Mr. HALLEY. Do you get them?

Mr. COSTAR. No; I don't. We don't get them. They keep that record of what they put out in addition to any money they advance, and by the same token they keep a record of what they take off.

Let us assume that, following through your questioning, we put \$5,000 on and he loses it in some dice game. Some guy comes along and wins it and they have to pay him off. So they will draw an additional \$25,000 from the money room and it is charged to the table. So the money room is your control. There would have to be collusion

between your operator and the tellers in the money room and the auditor, or whoever it is in charge of the records at the casino.

Mr. HALLEY. Is there an auditor at these casinos?

Mr. COSTAR. They have a man there who does all of that.

Mr. HALLEY. Who is the man at Club 86?

Mr. COSTAR. I don't know, but I think Ashley was the one that did it the last time.

Mr. HALLEY. What is Ashley's full name?

Mr. COSTAR. Tom is his full name—Tom Ashley.

Mr. HALLEY. What does Tom Ashley do? Doesn't he get a slip periodically from the owners telling him what the net income or loss from each form of gambling is?

Mr. COSTAR. Not to my knowledge. The people I have represented have never done anything like that. They just take it as it comes. There are so many partners that it is impossible to work it that way.

Mr. HALLEY. Let me ask you a hypothetical question and see whether you would consider the following method of operation a proper one. Suppose the moneys were deposited in the cashier's cage through the course of any evening, and at the end of the night it was counted by the owner of the house who kept a private record and turned that record over to the auditor only at the end of the year. Would you say that would be a proper mode of operation?

Mr. COSTAR. No; I wouldn't say that would be proper because—well, if the individual was reliable, it would be. But I, as an accountant, couldn't accept that without some qualification. At Club 86 we don't have that.

Mr. HALLEY. What qualification would you require in order to accept it?

Mr. COSTAR. At Club 86?

Mr. HALLEY. Yes.

Mr. COSTAR. To begin with, you have many partners—8, 10, or 12—I don't know how many without referring to the records, and you have a number of people that this money goes through and the record goes through their hands. You would have to have collusion among a great many people before you could do that.

Mr. HALLEY. The individual who handles each table is not aware of the total?

Mr. COSTAR. No.

Mr. HALLEY. So far as he knows, the table next to him might be having losses while he is winning?

Mr. COSTAR. He doesn't know. It is all cleared through the money room.

Mr. HALLEY. And the man that does the counting in the money room doesn't keep these individual slips that are handled—these receipts—to the tellers?

Mr. COSTAR. Until the end of the day. Then he makes his recapitulation.

Mr. HALLEY. So that if the man in the money room and the partner—if there is any collusion, the addition at the end of the day is whatever they want it to be.

Mr. COSTAR. They would have to be stealing from each other, or one would be taking advantage of the other.

Mr. HALLEY. Not if they split evenly.

Mr. COSTAR. I am satisfied that with the way that is controlled out there, that couldn't happen. The same thing would apply to a race track.

Mr. HALLEY. You haven't convinced me that there is any way in the world, when you have a man who is not one of your auditors who is working for the people who run this place to sit in a game and count the money and then destroys all slips at the end of the day. I am not satisfied that there is any way in the world to keep him from marking down the total for the day and any figures that his boss wants him to mark down.

Mr. COSTAR. We must rely on honesty, which your records prove most people are. Secondly, when you deal with a lot of people or more than two people, you get into a lot of trouble and collusion and conniving and scheming, and thirdly, somewhere along the line they would trip themselves. There are three major factors that are against that. It may happen. I am not saying it doesn't, but I think it is impractical.

Mr. HALLEY. But you have heard of it actually happening?

Mr. COSTAR. I never heard of it happening with that number of partners they have out there, or any other operation elsewhere. I have never heard of it.

Mr. HALLEY. Have you never heard of money being taken off the top at a gambling house?

Mr. COSTAR. Yes, but I say where you had collusion with 8 or 10 partners or more, plus the men that work for you.

Mr. HALLEY. You need only the collusion of one man and that is the man that does the counting in the cage.

Mr. COSTAR. You need more collusion than that if you understand accounting.

Mr. HALLEY. With all these games going and a lot of receipts being handled, no two men in the room have any idea of the total because the man at one table is busy and he can't watch any other table but his own.

Mr. COSTAR. I don't know.

Mr. HALLEY. The receipts are all torn up. If you kept the receipts permanently you might have some check, but the very fact that the receipts are torn up at the end of the day indicates a desire to eliminate the possibility of a check.

Mr. COSTAR. I don't think they are torn up. I am not out there. They may hold them for a week or 2 weeks or will hold them 3 weeks. I don't know how long.

All I know is that they give us a recapitulation, and that is the basis on which we make up the tax return and write the report on. Have you ever been in a gambling casino?

Mr. HALLEY. If you don't mind, I will ask the questions.

Mr. COSTAR. When I said it, I realized what I had said, I am sorry.

Mr. HALLEY. Let's keep the questions on this side.

Mr. COSTAR. I was going to preclude explaining how a casino operates.

Mr. HALLEY. I have read books on it.

Mr. COSTAR. If you want to take it off the record—

Mr. HALLEY. Go ahead and explain it for the record because I think that is important. You are not answering the questions for my benefit, but for the benefit of the committee and for the record and we are trying to get the benefit of your expert knowledge on it to

ascertain whether or not this type of operation can possibly be controlled so that when the tax point of view is concerned, there is a proper safeguard for the public.

Mr. COSTAR. Mr. Halley, at Club 86—and I have been in just a couple of them in my time, they have a something built around the wall with peepholes that look like air conditioning holes or whatever you want to call them.

They have men stationed up there to watch these operators, and they also have over each crap table, the times that I have been in the casino, which hasn't been too many in my time—I have just visited them, they have a man standing on a ladder or whatever you want to call it. The scene is familiar and he looks down and he is watching those players. You say to me, "Why do they do that?" For two reasons: first, to make sure that the operator is not clipping them, and second to see that there is not a lot of phoney dice being thrown by the players. Beyond that I don't know what the purposes are, but that is a safeguard that is in most casinos.

You have men hidden behind this wall—at the Club 86 I am talking about—plus the man that stands on the ladder. They then change those men periodically often during the evening. How long they stay on the ladders at a time I don't know, but Joe Doakes will be here for 10 minutes and Paul Smith will be at the same latter for another 10 minutes. That is another safeguard.

Mr. HALLEY. That is all very carefully described in an article in The Saturday Evening Post about 2 weeks past dealing with Reno, and it corroborates what you said.

Mr. COSTAR. I have never been there.

Mr. HALLEY. Aren't they there to see that the individual players and dealers don't cheat the house?

Mr. COSTAR. That is right.

Mr. HALLEY. For instance, a particular player who happens to be a friend of a dealer, they want to make sure that he doesn't win too often.

Mr. COSTAR. That is right.

Mr. HALLEY. But that very safeguard makes it so difficult for the dealer to pocket the money that it is not really necessary for them to follow through with this system of receipts and checks on their own people very carefully. They are watching their own people very carefully by watching and not by bookkeeping.

Mr. COSTAR. You have a thought there, but if you are the dealer and I am the money-room man, I check you out, and there is my auditor back here, and when he gets through at the end of the day and he has checked you and given you \$50,000 for that table tonight, you had better check in with \$50,000 or show you paid out \$50,000 plus your winnings. That is what he goes by.

Mr. HALLEY. There are seven other tables?

Mr. COSTAR. Yes.

Mr. HALLEY. It all gets counted up rather carefully in the counting room?

Mr. COSTAR. That is right.

Mr. HALLEY. And the owner or the partners—two or three of them—are in there with one low-paid employee who is called an auditor, and he writes down the figures.

Mr. COSTAR. I wouldn't say he is low paid, and I don't know that there are three or four partners. I have never been there at the time of morning when they close.

Mr. HALLEY. How can you say that you are sure that the system works if you have never been there to see the accounting? Isn't it apparent that if one or two men are counting and calling off figures to an auditor and they tear up the receipts as they go, they can pretty well tell the auditor what they want?

Mr. COSTAR. The auditor doesn't get it that way. The man in the money room is charged up with the money he has turned out or sent out and he has to get it back or get receipts for it and he makes his daily report, and then it goes to his auditor or whoever keeps the recap sheet.

Mr. HALLEY. Who is the money man?

Mr. COSTAR. The man in charge of the money room.

Mr. HALLEY. Is he an accountant or is he one of the partners.

Mr. COSTAR. I don't know. I have never been in there in the morning when they closed up. I couldn't answer that.

Mr. HALLEY. I don't think I have any further questions, Mr. Chairman.

The CHAIRMAN. Mr. Halley, what about the records and all that?

Mr. HALLEY. We are going to collect them tomorrow and any records you have you will turn over to the committee's investigator; is that right?

Mr. COSTAR. Yes, sir. Can I ask you a question on that? There are a number of records and files. Rather than inventory those files, I would like to have your representatives work in my office, if possible.

Mr. HALLEY. We would like to have the records at least long enough to study them in our own office, so perhaps the best thing is to inventory them.

Mr. COSTAR. It is going to take some time; a few days to get them together.

Mr. HALLEY. You can generally inventory a file that big in an hour by just picking up a paper and dictating from it.

Mr. COSTAR. You are welcome to it. It is not a question of not turning it over.

The CHAIRMAN. Suppose we have someone meet with you in the morning and see what can be done.

Mr. HALLEY. There will be somebody in your office at what time?

Mr. COSTAR. We get in there on Saturday—I only have one young lady come in and one of the men. We don't work on Saturdays except to keep the office open with a skeleton crew.

Mr. HALLEY. I think it can be done on Monday. It will probably be Mr. Rice.

Mr. HALLEY. Were any of the Friedlander operations outside of the State of Florida or were they all local?

Mr. COSTAR. Mr. Halley, I couldn't answer that truthfully. I would just guess.

Mr. HALLEY. Would the records show it?

Mr. COSTAR. I am not too sure about that. He might have said "XYZ" partnership and we wouldn't have asked for an address. On the other hand, I think the address is required on the tax returns, and I think they would show the address.

Mr. HALLEY. May I ask whether after you have produced these records, if Mr. Rice, assistant counsel to the committee, has any questions, you would have any objection to answering them?

Mr. COSTAR. No; I will be glad to. Let me repeat again: I will cooperate with you in every way I can.

Mr. HALLEY. Thank you.

Mr. COSTAR. You don't have to subpoena me or threaten me. I am willing to cooperate with you and I want you to have the information that you want.

Mr. HALLEY. Thank you very much.

The CHAIRMAN. Is there anything further, Mr. Halley?

Mr. HALLEY. No, sir.

The CHAIRMAN. Do you have any questions, Senator Hunt?

Senator HUNT. I have no questions.

The CHAIRMAN. Thank you, Mr. Costar.

The committee will stand adjourned until 9 a. m. tomorrow morning.

(Whereupon the committee adjourned at 5:55 p. m. until the following morning.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

SATURDAY, MAY 27, 1950

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME
IN INTERSTATE COMMERCE,
Miami, Fla.

The committee met, pursuant to adjournment, in the courtroom of the United States district court, at 9 a. m., Senator Estes Kefauver (chairman) presiding.

Present: Senators Kefauver and Hunt.

Also present: Rudolph Halley, chief counsel.

TESTIMONY OF RALPH M. HART, ACCOMPANIED BY MR. CHAPPELL, ATTORNEY

Mr. HALLEY. Will you state your full name and address?

Mr. HART. Ralph M. Hart, 211 Edgewood Drive, West Palm Beach, Fla.

The CHAIRMAN. Mr. Hart, will you stand and be sworn, please?

Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HART. I do.

Mr. HALLEY. A subpoena was served upon you yesterday to produce certain records, was it not?

Mr. HART. Yes, sir.

Mr. HALLEY. The subpoena asked for all records relating to John F. O'Rourke, Frank Erickson, and Mickey Cohen?

Mr. HART. Yes, sir.

Mr. HALLEY. Have you brought such records?

Mr. HART. Yes, sir.

Mr. HALLEY. Would you produce them now for the committee?

Mr. HART. Here is the bank statements from 1943 to 1949, and such deposits slips as were in my possession.

The CHAIRMAN. Mr. Counsel, I didn't understand. Is Mr. Hart an auditor or a public accountant?

Mr. HART. I am a certified public accountant; yes, sir.

The CHAIRMAN. And your office is here in Miami?

Mr. HART. No, sir. My office is in 310 Citizens Building, West Palm Beach, Fla.

The CHAIRMAN. Mr. Chappell, you are from West Palm Beach?

Mr. CHAPPELL. I am from Miami.

Mr. HART. These are my tax files, which is the only work I do for Mr. O'Rourke. I have the quarterly wage reports which I prepared for him, and the income-tax returns.

Mr. HALLEY. Do you do any work for Mr. Erickson?

Mr. HART. No, sir.

Mr. HALLEY. Frank Erickson?

Mr. HART. No, sir.

Mr. HALLEY. You work only for O'Rourke?

Mr. HART. Yes, sir.

Mr. HALLEY. Do you know whether he uses the services of any other auditor or accountant?

Mr. HART. Mr. O'Rourke?

Mr. HALLEY. Yes.

Mr. HART. Not that I know of.

Mr. HALLEY. Do you handle all his work?

Mr. HART. Yes, sir.

Mr. HALLEY. What is his business?

Mr. CHAPPELL. Go ahead and tell him.

Mr. HART. I think he operates a handbook. That is what we call it.

Mr. HALLEY. Where does he operate it?

Mr. HART. West Palm Beach.

Mr. HALLEY. What is a handbook; would you state it just generally?

Mr. HART. He books horse bets.

Mr. HALLEY. And does he lay off his bets with anybody?

Mr. HART. Yes; he does.

Mr. HALLEY. With whom?

Mr. HART. I don't know whether I can say as to that. My work is income-tax work. He has lay-off bets and action and pay-off bets and checks with various people, and I don't know any of them.

Mr. HALLEY. What names appear in the checks and records.

The CHAIRMAN. Mr. Hart, I think we will get along better, and your attorney will tell you so, if you tell us without any reluctance what you know about that.

Mr. CHAPPELL. He is willing to do that.

Mr. HART. I will be glad to do that.

The CHAIRMAN. We don't have to go by the strict rules that are observed in a court. This is not a criminal trial. We are making a senatorial inquiry to see what the picture is and what kind of legislation we want to recommend to the Senate. So, we would appreciate your cooperation.

As I said, we are not bound by the strict rules of evidence that prevail in courts in which you have had some experience. We will make better time and we will understand that some of this may be second-hand information that you tell us, or other than of your own knowledge. So, I thought I would like to make that explanation to you.

Mr. HART. I don't know enough about his operations to say who he lays off bets to.

Mr. HALLEY. Certain names appear. Would you name the people with whom he does business?

Mr. HART. He has done lots of business with Mickey Cohen. He has had business transactions with Frank Erickson. Those two names appear on my subpoena.

Mr. HALLEY. Do any other names occur to you besides those which were given to you on the subpoena?

Mr. HART. Well, you know those things are not important for my work. I have them in my files.

Mr. HALLEY. Mr. Hart, bear this in mind: Following up what Senator Kefauver said, you have given us just the two names we have reason to believe you know about. I don't consider that cooperative spirit. It seems to me that relying only on that and not remembering at this point isn't very convincing. There must be other people. A man can't operate a handbook and lay offs just in that way.

Mr. HART. There are other people.

Mr. HALLEY. Who are they?

Mr. HART. I don't know.

Mr. HALLEY. Have you any idea?

Mr. CHAPPELL. How long would it take you to look at your records and find out?

Mr. HART. I can look through them very quickly and find out. I don't remember these people's names. I don't know them.

Mr. HALLEY. Go ahead and refresh your recollection.

Mr. HART. I recall a list of checks payable to one man, that the checks were borrowed by the Treasury Department, and I have their receipt for them. I can't recall the man's name. It was Luke Church.

Mr. HALLEY. Where is Luke Church located?

Mr. HART. Luke Church—I don't know the man. All I have here is this receipt for canceled checks that I gave the Treasury Department. I have three pages of it.

Mr. CHAPPELL. I think he is from Miami.

The CHAIRMAN. Mr. Chappell thinks he is from Miami.

Mr. CHAPPELL. We feel that he lives in Miami here.

Mr. HALLEY. Mr. O'Rourke will be in to give us that information.

The CHAIRMAN. He hasn't had time to look and see any others.

Mr. HART. I will have to go to the canceled checks to do that. I don't know the names. They are in there but I don't know the names.

Mr. HALLEY. May I suggest that we take the testimony and perhaps while Mr. O'Rourke is testifying Mr. Hart can look through the checks and resume the stand later?

The CHAIRMAN. So ordered.

Mr. HALLEY. Does Mr. O'Rourke have a partner in the handbooks?

Mr. HART. No, sir; he does not.

Mr. HALLEY. He owns that himself?

Mr. HART. Yes, sir.

Mr. HALLEY. Does he have any other businesses?

Mr. HART. No other business activities that I know of.

Mr. HALLEY. Does he operate any business at the Boca Raton Hotel?

Mr. HART. Not at the present time; no.

Mr. HALLEY. Did he at one time?

Mr. HART. Yes, sir. He operated a business that developed recently; that he operated a business there during two winter season with that New York man—what's his name again?

Mr. HALLEY. Frank Erickson?

Mr. HART. Frank Erickson.

Mr. HALLEY. Have you met Frank Erickson?

Mr. HART. No, sir.

Mr. HALLEY. What business did he operate at Boca Raton?

Mr. HART. They booked horse bets.

The CHAIRMAN. Louder, Mr. Hart.

Mr. HART. They booked horse bets.

Mr. HALLEY. From the guests of the hotel?

Mr. HART. Well, I would have to guess at that. I was never there and I don't know, but that undoubtedly is correct.

Mr. HALLEY. During what years did they operate?

Mr. HART. Well, it was 1947-48 season and 1948-49, I believe.

Mr. HALLEY. Did they operate in 1949-50 at Boca Raton?

Mr. HART. Not to my knowledge.

Mr. HALLEY. Did Mr. O'Rourke have any other business in 1947-48 or 1949 that you know of?

Mr. HART. Yes, he had a crap game.

Mr. HALLEY. Where?

Mr. HART. West Palm Beach.

Mr. HALLEY. At what premises was it operated?

Mr. HART. It was upstairs, the northwest corner of Lamanna Street and Dixie Highway.

Mr. HALLEY. Was it connected with any restaurant?

Mr. HART. No, sir.

Mr. HALLEY. Or place of entertainment?

Mr. HART. No, sir.

Mr. HALLEY. Did he own that himself?

Mr. HART. Yes, sir.

Mr. HALLEY. Did he have any business at the Roney Plaza Hotel?

Mr. HART. Not to my knowledge.

Mr. HALLEY. Did you file an income tax report for the Boca Raton operation?

Mr. HART. No, sir.

Mr. HALLEY. Did you keep the books on that?

Mr. HART. No, sir.

Mr. HALLEY. Who did?

Mr. HART. I don't know. I didn't even know about it until he—I didn't know he operated there until probably December 1949, during an income-tax investigation.

Mr. HALLEY. Did you keep the books on the crap game operations?

Mr. HART. No, sir. No books were kept on those operations. It is all done by bank operation, and his tax returns are prepared from bank deposits.

Mr. HALLEY. You mean each day's receipts are deposited in the bank?

Mr. HART. No, I don't think that is correct. In the operation the cash bankroll consistently runs short. They deposit checks only. Very seldom is there an excess of actual cash because they take in checks. They deposit the checks and if the cash bankroll runs short, they write a check to cash to reimburse bankroll.

Mr. HALLEY. Do you know in what bank the crap game deposited its money?

Mr. HART. It all went in the same bank account.

Mr. HALLEY. What account is that?

Mr. HART. Well, in recent years he has been using the Atlantic National Bank in West Palm Beach.

Mr. HALLEY. Does he also use that to bank for the book that he keeps there?

Mr. HART. Yes, sir, it is all in the same bank account.

Mr. HALLEY. Does Mr. O'Rourke have any other businesses?

The CHAIRMAN. You say "in recent years." How about in past years?

Mr. HART. He had a bank account at the Florida Bank & Trust Co. prior to this and he has had a bank account in the First National at Palm Beach.

Mr. HALLEY. The Florida Bank & Trust Co. in West Palm Beach?

Mr. HART. Yes, sir.

The CHAIRMAN. Has he continued those three accounts or have they all been merged into the one at the Atlantic National Bank?

Mr. HART. Those accounts have been continued. I have the bank statements. The activities have been through the Atlantic National Bank in recent years.

Mr. HALLEY. Pursuant to the subpoena, you have brought the statements and canceled checks for all of these bank accounts; is that correct?

Mr. HART. Yes, sir.

Mr. HALLEY. Do you know of any other business that Mr. O'Rourke had during the years, say, from 1946 to date?

Mr. HART. No other business activities. He had a few little investments.

Mr. HALLEY. What type of investments?

Mr. HART. He bought a mango grove; a grovelet. I think it is a development where the development maintains a grove for some years. The checks would go through regular in payment of the contract, and he had an investment in a piece of property in Riviera, Fla.

Mr. HALLEY. Is that in Florida?

Mr. HART. Yes. Riviera Beach, Fla.

Mr. HALLEY. Does he have any other property or real estate?

Mr. HART. Not that I know of, no, sir.

Mr. HALLEY. What were the net profits for the crap game during the year 1949?

Mr. HART. I don't notice it. It is all in one account. It is all combined when it gets to me.

Mr. HALLEY. Who works up those figures and gives them to you?

Mr. HART. I prepare the tax returns from the bank statements.

Mr. HALLEY. You can't tell a profit in a crap game from a bank statement alone, can you?

Mr. HART. I can tell the combined profit of the operations, yes, sir.

Mr. HALLEY. You make no effort to segregate the crap game from the books and any other business that he may have?

Mr. HART. No, sir. It is all in one bank account.

Mr. HALLEY. In other words, your tax return is prepared on the assumption that all moneys received and all disbursements go through the bank account?

Mr. HART. The payroll is paid in cash. It doesn't go through the bank account.

Mr. HALLEY. Is it your testimony that all cash that Mr. O'Rourke received in any way except that which is disbursed for payroll or other legitimate expenses goes through the bank account?

Mr. HART. He takes out a withdrawal to the account of cash.

Mr. HALLEY. Does he report that to you?

Mr. HART. Yes, sir.

Mr. HALLEY. What is that drawing account?

Mr. HART. I think it has been \$50 a week.

Mr. HALLEY. And you deduct that or rather add that to the net income?

Mr. HART. I add that to his income.

Mr. HALLEY. Just \$2,500 a year in cash?

Mr. HART. Yes.

Mr. HALLEY. Is there any other cash that you allow for? Cash that is withdrawn?

Mr. HART. There are other adjustments. He may make a loan at the bank, borrow some money or pay off a loan or may borrow some money from some of his friends, and those adjustments I have to make to the bank statement to arrive—

Mr. HALLEY. Let's confine the discussion to cash. Is it your testimony that all of the cash which he receives in any of his operations is deposited in the bank account?

Mr. HART. That is the plan he works under. I don't handle the deposits, but I have no reason to doubt the cash is deposited.

Mr. HALLEY. The only cash which would go in the bank account is \$2,500 a year which he draws, and cash which is used for actual business disbursements?

Mr. HART. Yes, sir.

Mr. HALLEY. But you have no check on that at all?

Mr. HART. I have no check on it; no, sir.

Mr. HALLEY. You just accept that statement from him; is that right?

Mr. HART. Yes, sir.

Mr. HALLEY. What was the net profit for his operations in 1949? Would you refer to the records?

Mr. HART. I can't tell you about 1949. It doesn't amount to anything because they have been closed and I haven't filed a 1949 return yet.

Mr. HALLEY. What do you mean when you say that they have been closed?

Mr. HART. They have not been open for operations. The State has been sewed up.

Mr. HALLEY. There was no book kept in 1949?

Mr. HART. There was a little bit of booking done on the telephone and so on, but I don't think it pays expenses.

Mr. HALLEY. Is it your testimony that Mr. O'Rourke was not operating for the year 1949?

Mr. HART. Well, it is my testimony that his place of operations has been closed the majority of the year. I think they operated—they were closed January 7 or 8, 1949, and they have been in there some with the doors closed and about—did a little telephone business, but I don't know how much.

Senator HUNT. Why were they closed?

Mr. HART. The heat was on.

Senator HUNT. Do you know the source of the heat?

Mr. HART. No; I couldn't swear that I do.

Senator HUNT. Where was that place of business?

Mr. HART. In the Grand Hotel or on Datura Street, in the Grand Hotel building, not the hotel proper.

Senator HUNT. How many rooms did he occupy?

Mr. HART. Two.

Senator HUNT. How many employees did he have?

Mr. HART. That would vary from six to eight or nine.

Senator HUNT. Could you give us the names of the employees?

Mr. HART. Yes, sir.

Senator HUNT. Are they in your records?

Mr. HART. Yes, sir.

Senator HUNT. How many telephone outlets did he have?

Mr. HART. I don't know anything about that, sir.

Senator HUNT. Where did he get his wire service?

Mr. HART. Well, there was a leased wire that came in there to West Palm Beach and the operator distributed the service to all the books there.

Senator HUNT. Would your records show by canceled checks who and the amount he paid for this service.

Mr. HART. I think so.

Senator HUNT. Do you know if there were any checks made payable to the Continental Press?

Mr. CHAPPELL. I was talking to Mr. O'Rourke and he told me all of his checks were made payable to cash; that he was requested to make them that way.

Mr. HALLEY. What service did he use?

Mr. CHAPPELL. I just wanted to say that I thought it might be of assistance in giving him a thought.

Mr. HART. The checks are payable to cash, but they all bear the endorsement "for deposit."

I don't recall the names he mentioned.

Senator HUNT. These various telephone outlets that he had, were they all in his name?

Mr. HART. I don't know anything about that.

Senator HUNT. Was he a wholesaler or retailer of this press service; that is, did he receive his wire information and then retail it out, or did he use it for his own purposes and sell it directly to the better?

Mr. HART. Sell it.

Senator HUNT. If you were placing a bet with him, the only wire service he would utilize—he would utilize that wire service for his own information. He wouldn't sell that wire service to you that you might go out and retail it again?

Mr. HART. No.

Senator HUNT. He was not in the nature of a wholesaler of book or wire information?

Mr. HART. No; I wouldn't think so.

Mr. HALLEY. What is the last year in which the book did operate?

Mr. HART. 1948.

Mr. HALLEY. What was the net profit?

Mr. HART. I will have to look at the record.

Mr. HALLEY. Would you look it up?

Mr. HART. That was a very poor year. He shows a net profit of \$1,702.45.

Mr. HALLEY. \$17,000?

Mr. HART. No, sir; \$1,700.

Mr. HALLEY. What operations are shown in that return?

Mr. HART. Handbook.

Mr. HALLEY. What was the net on the handbook?

Mr. HART. The figure I just gave you—\$1,702.45.

Mr. HALLEY. Is that the total net income reported by him?

Mr. HART. No, sir. He had interest, \$379.75.

Mr. HALLEY. How about the operation at Boca Raton?

Mr. HART. It is in these figures.

Mr. HALLEY. In those figures?

Mr. HART. Yes, sir.

Mr. HALLEY. Where is it? Where are your work sheets showing how you arrived at it? You have all the papers here, do you not?

Mr. HART. Yes, sir.

Mr. HALLEY. Let us have the work sheets showing how you got the \$1,702.45 figure; do you have that?

Mr. HART. Yes, sir.

Mr. HALLEY. Let's review them. What operations are shown in the work sheets?

The CHAIRMAN. Let's get this clear. This is for what year?

Mr. HART. 1948.

The CHAIRMAN. Is that the calendar year 1948?

Mr. HART. Yes, sir.

The CHAIRMAN. All right. What is the date of the return you have just referred to?

Mr. HART. 1948 calendar year.

Mr. HALLEY. Is it dated March—where is the copy of the return?

The CHAIRMAN. This return is undated, but this is an individual income-tax return for the year 1948. It would have been sent in early some time in 1949; is that right?

Mr. HART. I think I had an extension on it. It probably was sent in 60 days after March 15.

The CHAIRMAN. Yes, sir. All right. Go ahead.

Mr. HALLEY. Turning to your work sheets, would you explain the figures and show first the source of income for 1948?

Mr. HART. I arrived at the income by taking the bank deposits and eliminating items which are not income.

Mr. HALLEY. You are now talking about gross income for 1948 before expenses?

Mr. HART. That is right.

Mr. HALLEY. What is the gross income for 1948? That is, as shown by the work papers?

Mr. HART. \$489,139.42.

Mr. HALLEY. That is actual income gross?

Mr. HART. That is the gross receipts from the business.

Mr. HALLEY. And it is your contention from a business grossing four-hundred-and-eighty-nine-thousand-odd dollars there was a net profit of \$1,702.45; is that right?

Mr. HART. During the course of income-tax examination, I would admit there is probably an error of about \$1,000 in that.

Mr. HALLEY. About \$1,000?

Mr. HART. Yes, sir.

Mr. HALLEY. What are the sources of income?

Mr. HART. What are the sources of income?

Mr. HALLEY. Yes. How much did the handbook make and how much did the operation at Boca Raton make?

Mr. HART. I have no separation on this. I don't think there was a crap game. I don't know whether there was in 1948 or not. I would like to look at the records.

That was closed before the books was. I have no segregation of the different businesses. They all went through one bank account.

Mr. HALLEY. Did the Boca Raton business have its own separate bank account?

Mr. HART. No, sir.

Mr. HALLEY. You testified that you didn't even know until 1949 that there was a Boca Raton business. If it all went through a bank account and you knew about it when you prepared the 1948 income tax, it seems to me you would have known there was a Boca Raton business before December 1949.

Mr. HART. I am telling you now that I didn't know until December 1949. I knew there was a Boca Raton business but I didn't know Frank Erickson had anything to do with it. I knew Mr. O'Rourke operated there and that funds went through the bank.

Mr. HALLEY. Are you now changing your testimony?

Mr. HART. No, sir.

Mr. HALLEY. I recall very definitely your testifying that you didn't know there was such a thing as an operation at Boca Raton.

Mr. HART. I said I did not know there was any such thing as a partnership at Boca Raton.

Mr. HALLEY. Will the stenographer please go back and read back that portion of the witness' testimony concerning what we have been talking about?

(The record was read by the reporter.)

Mr. HALLEY. May the record show that the earlier portion of the witness' testimony has been read to him.

Do you have any comment now with reference to whether or not you want to change your earlier testimony, because it is quite apparent that your earlier testimony was that you didn't know there was such a thing as an operation at Boca Raton by Mr. O'Rourke.

The CHAIRMAN. Until December 1949.

Mr. HART. My testimony, whatever it is, should have been that I did not know of the operation by a partnership in Boca Raton. I knew of Mr. O'Rourke's operation, but I believed that it was a proprietorship operation and had no knowledge of Erickson's connection with it.

Mr. HALLEY. You have testified previously that you didn't file an income-tax return for the Boca Raton operation because you didn't know about it.

Mr. HART. I don't think I testified to that.

Mr. HALLEY. Mr. Hart, did you file the income-tax report for the Boca Raton operation?

Mr. HART. It was a partnership return, which I did not file.

Mr. HALLEY. Do you have a copy of the partnership return?

Mr. HART. I think I do; yes, sir.

Mr. HALLEY. Will you produce it?

Mr. HART (searching through documents). I don't have it.

Mr. HALLEY. The subpoena that was served upon you called for all the papers relating to O'Rourke and Erickson. That was clearly within the terms of the subpoena, was it not?

Mr. HART. It is not there.

Mr. HALLEY. Do you know where it is?

Mr. HART. No; I can't say that I do. I thought I had it with me.

Mr. HALLEY. Do you have some additional records in your office?

Mr. HART. It might be in my office.

Mr. HALLEY. Do you have correspondence in your office?

Mr. HART. Regarding these matters?

Mr. HALLEY. Yes.

Mr. HART. No, sir.

Mr. HALLEY. Where is the correspondence regarding these matters, and by "these matters" I am referring to Mr. O'Rourke's transactions.

Mr. HART. I would have no occasion to have any correspondence with him.

Mr. HALLEY. I note there is some correspondence with the Bureau of Internal Revenue in these files that you have been thumbing through.

Mr. HART. Yes; there is some with the Bureau of Internal Revenue.

Mr. HALLEY. When you receive a copy of a tax return from another accountant, there is at least a transmittal letter, isn't there?

Mr. HART. Well, I don't have any—there were no transmittals with these returns. They were delivered to me by Mr. O'Rourke.

Mr. HALLEY. I don't believe that, and I believe you do know who prepared the return. I believe that you are just evading the questions of the committee and are attempting to give the committee as little information as possible.

Mr. HART. That is your privilege.

Mr. HALLEY. That is a fact.

The CHAIRMAN. Mr. Hart, let me ask you a question. When did you get this partnership return for 1948 of Erickson and O'Rourke?

Mr. HART. During an income-tax examination on Mr. O'Rourke's 1948 return.

A revenue agent came in and a man named Price and asked some questions and asked if I had a copy of the partnership return for Boca Raton and I told him I didn't know there was any partnership down there, and he said "Yes," there was, and he gave me what information he had about it and I call Mr. O'Rourke and asked him about it and he said "Yes," he thought Erickson filed a partnership return, and I said I would like to see it, and I asked him to bring it down to me and he looked it up and brought it to me.

The CHAIRMAN. What do you think you have done with it?

Mr. HART. I don't know. I thought I had it in the file with me.

Mr. HALLEY. I don't know how you could prepare the 1948 tax return without the partnership return before you if you were reflecting the income from Boca Raton in this tax return for 1948.

Mr. HART. The income is in these deposits.

Mr. HALLEY. How do you know? You are a certified accountant?

Mr. HART. Yes.

Mr. HALLEY. And you are a lawyer?

Mr. HART. Yes, sir.

Mr. HALLEY. How do you know the income is in those deposits?

Mr. HART. That is already in the record; that I don't know. I have been told here that I am not bound by the strict rules of evidence in this testimony; that I can give you what I do know and what I think about it. If you want to pin me down to what I can actually swear to, I don't know anything about these operations.

MR. HALLEY. How can you prepare this tax return without knowing it and have it on the return?

MR. HART. I prepared the tax return from the information as furnished and as stated.

MR. HALLEY. And that information as stated was simply all the income that went into a bank account?

MR. HART. Yes, sir.

MR. HALLEY. Without any break-down?

MR. HART. Yes, sir.

MR. HALLEY. You are agreeing with me that there was no break-down at all showing where the income came from?

MR. HART. I don't know what business it came from. There is no segregation between the different businesses.

MR. HALLEY. You don't even know that certain businesses were in existence, did you?

MR. HART. I knew the business was in existence, but I didn't know a partnership was in existence.

MR. HALLEY. You testified that you didn't know until the end of 1949 that there was any business at all. I presume that you are changing that testimony and you are now saying that you did know there was a Boca Raton business.

MR. HART. I definitely didn't know and I don't think I testified I didn't—I was testifying about the partnership return and at the time I stated I didn't know that existed.

MR. HALLEY. That record will stand as it reads. What I want to know now is if you did know there was a Boca Raton business and a separate partnership, how could you accept these figures and not have asked, at the time you prepared this report, for a partnership return for Boca Raton, or a statement from the auditor for the partnership? How could a lawyer or an auditor prepare an income-tax return without getting a statement from the auditor who prepared the partnership return?

MR. HART. When I prepared this return, I didn't know there was a partnership.

MR. HALLEY. You knew there was a business?

MR. HART. Yes.

MR. HALLEY. Where were the figures for the business?

MR. HART. In this bank account.

MR. HALLEY. Did you think that the book at Boca Raton grossed so little that it wouldn't show up larger than the figures you have in your gross-income figures for 1948?

MR. HART. I have not any reason whatever to doubt the fact that the money was being deposited in this account.

MR. HALLEY. Do you have the work sheets for the previous years?

THE CHAIRMAN. Just a minute on that.

MR. HALLEY. I want to compare them, sir. I want to show the size. Let's say we have 1947 and 1946.

MR. HART. I have 1947.

MR. HALLEY. Do you have 1946?

MR. HART. Yes.

MR. HALLEY. When did the Boca Raton operations start?

MR. HART. They operated two seasons. I thought I had those returns.

Mr. HALLEY. Wasn't it the season of 1947-48 and the season 1948-49?

Mr. HART. That is what I think it was; yes, sir.

Mr. HALLEY. So that the first year in which any income from Boca Raton would be reflected would be the winter season starting around January 1948 because the winter 1947-48 would show no real operations before the season opened in January at a place like Boca Raton; isn't that so?

Mr. HART. No; I don't think it is. I think they opened earlier than that.

Mr. HALLEY. Then there may have been some income in 1947 from Boca Raton?

Mr. HART. I think so.

Mr. HALLEY. There would be a great deal of income starting January 1948 into 1948 from Boca Raton; isn't that right?

Mr. HART. I don't know what you mean by income. There would be a—

Mr. HALLEY. I am talking about gross income. There would be a greater volume of receipts. Gross receipts?

Mr. HART. Yes.

Mr. HALLEY. If you are dealing with an individual business and not a partnership, then in your work sheets showing gross income, you would have the gross income from the whole book operation at Boca Raton and not merely the net profit.

Mr. HART. That is what I am testifying that I believe I do have, sir. I have no reason to question it.

Mr. HALLEY. Yet, if you take your gross receipts for 1948—what are they?

Mr. HART. Gross receipts from business were \$489,179.42.

Mr. HALLEY. And for 1947?

Mr. HART. \$453,917.14.

Mr. HALLEY. And for 1946?

Mr. HART. \$410,949.43.

Mr. HALLEY. Where are your work sheets showing the specific expenses at the Boca Raton Hotel?

Mr. HART. I wouldn't have that except on those copies of tax returns that I was furnished.

Mr. HALLEY. How did you file your 1948 income-tax return yourself?

Mr. HART. I have that right here.

Mr. HALLEY. You have previously testified that you didn't keep any of the books for the Boca Raton?

Mr. HART. That is correct.

Mr. HALLEY. Then how could you reflect the Boca Raton income in this 1948 income-tax return?

Mr. HART. I have answered that question three times.

Mr. HALLEY. I would like to have you answer it again, please.

Mr. HART. I am of the opinion, and I have been told, that the receipts from the Boca Raton Club are in these gross receipts in this bank account.

Mr. HALLEY. That would be gross receipts from the Boca Raton Club?

Mr. HART. No, sir. I didn't say that. I said that the gross receipts from the Boca Raton Club are in these items.

Mr. HALLEY. The gross receipts from the Boca Raton Club would be in the gross items that you have reported here; is that right?

Mr. HART. That is my honest opinion.

Mr. HALLEY. They would all have been deposited in the Atlantic National Bank because that is where all these items come from?

Mr. HART. Yes, sir. I believe that to be true.

Mr. HALLEY. Do you want this committee to believe that you thought that during the years that Mr. O'Rourke was operating at Boca Raton his gross income didn't go up at all; that the gross amount of bets that he handled didn't go up? If you compare your gross income for 1948 with the gross income for 1947 and for 1946, you will see that it is substantially the same, and I ask you if you don't know that the gross income from Boca Raton in 1949 was substantially, alone, in excess of \$750,000?

Mr. HART. No; I don't know that.

Mr. HALLEY. If that is the fact, is it even possible that you could have reflected gross receipts from Boca Raton in this figure of 1948 showing total bank deposits of about \$552,000?

Mr. HART. It would have been possible to have had \$750,000 receipts and \$552,000 deposits.

Mr. HALLEY. The whole theory of your tax returns falls if I am right.

Mr. HART. No, sir.

Mr. HALLEY. You have testified that the bank deposits showed all of Mr. O'Rourke's income. That is the theory on which you prepared the tax return?

Mr. HART. That is correct.

Mr. HALLEY. And that your tax returns reflect Boca Raton for 1948. It is a sheer impossibility isn't it?

Mr. HART. Not that I know of, sir.

Mr. HALLEY. How do you find \$750,000 in \$552,000?

Mr. HART. I am not trying to find it. You are the one who found it.

Mr. HALLEY. You are stuck with it, and what I would like to have you reconcile is that that is an honest tax return with the statement I have made, and you have to accept my statement that the gross receipts for Boca Raton in 1948 were in excess of \$750,000.

Mr. HART. I have testified regarding the figures I have here, and I have told you what they are and what in my opinion they are made up of.

Mr. HALLEY. Do you contest my statement that the gross receipts for Boca Raton in 1948 were \$750,000?

Mr. HART. I am saying that I don't know anything about that.

Mr. HALLEY. You should know something about it.

Mr. HART. All I know is what you have told me.

Mr. HALLEY. That is not right. That is not right at all. You have seen the partnership returns for Boca Raton. You have told me that. That is your testimony.

Mr. HART. That is right. I have seen the partnership return.

Mr. HALLEY. But somehow or other, you forgot to bring it down here. Do you know why?

Mr. HART. I can only say in that respect that it was not intentional. I thought I had it with me, and I don't know why I don't have it.

Mr. HALLEY. If you have seen it and discussed it in connection with an inquiry of the Bureau of Internal Revenue, you must have in mind

the size of the operation at Boca Raton. It must have been very forcibly brought to your attention in your discussions with the Bureau of Internal Revenue.

Mr. HART. No, sir.

Mr. HALLEY. Isn't it a fact that you have already offered to pay the Bureau of Internal Revenue a very substantial sum in settlement of a claim for additional tax for Mr. O'Rourke?

Mr. HART. Suppose you say whether it is a fact or not.

Mr. HALLEY. Suppose you do. Suppose you testify by answering questions.

Mr. HART. It is not a fact.

Mr. HALLEY. You have never offered to pay a substantial sum to the Bureau?

Mr. HART. No sum of any kind, substantial or unsubstantial.

Mr. HALLEY. You have been discussing the payment of additional sums, have you not?

Mr. HART. No, sir.

Mr. HALLEY. Have you had any discussions with the Bureau?

Mr. HART. They examined Mr. O'Rourke's return; the usual discussions.

Mr. HALLEY. Have they asked for an additional payment?

Mr. HART. Yes, sir.

Mr. HALLEY. Have you flatly refused to make any additional payment?

Mr. HART. They have not asked for an additional payment. They have proposed an additional assessment which in the ordinary course of business would not be payable until assessed.

Mr. HALLEY. Has any discussion taken place in compromise of that proposal?

Mr. HART. Not to my knowledge; no discussions with me were had in connection with any compromises, and I have never heard of it.

Mr. HALLEY. In looking at that partnership tax return which you received and which you asked for, is that your testimony—that you asked for it after a dispute arose with the Bureau of Internal Revenue?

Mr. HART. That is right.

Mr. HALLEY. Then you asked Mr. O'Rourke to get that for you?

Mr. HART. I asked him if there was a partnership return and he said he thought maybe there was that Erickson had entered, and if he could find it he would bring it in.

Mr. HALLEY. And he brought it?

Mr. HART. Yes, sir.

Mr. HALLEY. And when you got it, did you look at it?

Mr. HART. Yes.

Mr. HALLEY. Did you notice that the gross income was far in excess of the total gross income that you stated in your own return for all operations?

Mr. HART. Well, I wouldn't say that I did. I think perhaps you are confusing gross receipts and deposits, which are not the same by any means. That return, I think, showed gross receipts. These figures that I am testifying here from my work papers are not necessarily the gross turn-over or the gross receipts. They are the gross deposits.

Mr. HALLEY. What is the difference between gross receipts and gross deposits?

Mr. HART. You might book \$6,000 worth of bets and only win \$1,000. The \$1,000 would be deposited. The \$5,000 you would pay back out. I think that is where the difference is between the size of these figures.

Mr. HALLEY. If anything, your receipts would be even greater than your bank deposits and your work sheets should show the receipts.

Mr. HART. I don't know whether they should or not.

Mr. HALLEY. Are you an accountant?

Mr. HART. Yes, sir.

Mr. HALLEY. Don't you think the work sheets should show the gross receipts of a business?

Mr. HART. I think the work sheets I have here are correct.

Mr. HALLEY. You say they are correct, but you don't really think they are correct.

Mr. HART. I think they are correct.

Mr. HALLEY. How do you reconcile that with the gross receipts of the Boca Raton operation?

Mr. HART. The gross receipts of the Boca Raton operation are undoubtedly set up on a win and lose basis. The gross receipts as I show them are really gross receipts less losses.

Mr. HALLEY. Let's go over that. Let's take your statement for 1948. Here are your gross receipts there, \$489,139.42?

Mr. HART. Yes, sir.

Mr. HALLEY. What are they?

Mr. HART. That is the—

Mr. HALLEY. Are they wins less losses? I think that is what you just said.

Mr. HART. That is the bank clearances; that is what it is. You don't deposit your losses. You may have a \$3,000 bank roll, do \$27,000 worth of business and you may break even.

Mr. HALLEY. Do I understand—

Mr. HART. That is not from the gross amount of money taken.

Mr. HALLEY. Do I properly understand that the \$489,000 represents the amount of money O'Rourke won in 1948?

Mr. HART. No, sir.

Mr. HALLEY. You said it was wins less losses. Is that his net winnings for 1948—\$489,000?

Mr. HART. No, sir.

Mr. HALLEY. What is it?

Mr. HART. It is his bank deposits.

Mr. HALLEY. That is no answer. You said it represented wins less losses.

Mr. HART. Each day's deposits—they deposit the checks they take in. They may do \$10,000 worth of business and wind up with \$4,000 worth of checks and only make \$500 for that matter.

The CHAIRMAN. What is that bank roll listed here?

Mr. HART. That is the bank roll, things written in to reimburse the bank roll in this business. The cash bank roll consistently runs short.

The CHAIRMAN. What is the pay off?

Mr. HART. That is the payment of bets, or lay-off. Lay-off may be there also.

The CHAIRMAN. Then as I understand it, you also have the amounts paid off either to lay off or payment of bets?

Mr. HART. By check. These are all checks; no cash transactions.

The CHAIRMAN. Where did you reflect the amount of the bank roll that finally came in the fixing up of this 1948 income?

Mr. HART. That is the bank roll which was kept at Boca Raton?

Mr. CHAPPELL. Senator, will you let me say something that might clarify the situation?

The CHAIRMAN. All right, Mr. Chappell.

Mr. CHAPPELL. As I understand it, O'Rourke was really an agent for Erickson in the Boca Raton operation. That is the way I understand it.

The CHAIRMAN. Agent for whom?

Mr. CHAPPELL. Erickson.

Mr. HALLEY. Do you mind my interrupting? I think that if you want to testify to that, we will accept your testimony, but I must advise you not to testify to it until you know the facts.

Mr. CHAPPELL. I thought it would clarify it.

Mr. HALLEY. It doesn't clarify it. It contradicts the known facts. If you want to testify to that so that the record will show that that is your version of the facts, we will accept the testimony.

Mr. CHAPPELL. I think you know as well as I do that I couldn't testify to it.

Mr. HALLEY. I think you were confusing the facts because the facts are not as you say.

I am sorry, Mr. Chairman. I have no further questions on this line, unless the committee would like to proceed further.

The CHAIRMAN. I wanted to get from Mr. Hart again the sources of Mr. O'Rourke's income.

Mr. O'Rourke had an interest in his partnership in Boca Raton during the time that you have stated; is that correct?

Mr. HART. I am told that that is correct; yes, sir.

The CHAIRMAN. And he also had his own crap game in West Palm Beach?

Mr. HART. He has had.

The CHAIRMAN. Anyway, during the same time or at some time he had the operation at Boca Raton, he had a crap game in West Palm Beach?

Mr. HART. Yes, sir.

The CHAIRMAN. And then he had an orchard or a grove?

Mr. HART. That is one of his investments. I think it is nonproductive yet.

The CHAIRMAN. And he also had a furniture and fixtures business?

Mr. HART. No, sir. I think you are looking at the depreciation schedule on his tax return. I took depreciation on the furniture and fixtures in his place of business.

The CHAIRMAN. Those are the only businesses that you know of?

Mr. HART. Yes, sir.

The CHAIRMAN. That you have recited?

Mr. HART. Yes, sir.

The CHAIRMAN. How about that partnership return? You have got it somewhere.

Mr. HART. I am sure I do have it; yes, sir.

The CHAIRMAN. How are we going to get an opportunity to see it?

Mr. HART. Well, I don't understand why I don't have it with me. How would you like to have it? Shall I make you a copy of it? Anything you say.

Mr. HALLEY. I think probably you ought to get it down here just as fast as you can—the return itself. It will have to go into evidence.

Mr. HART. I will be glad to do that. I don't know why it is not here.

The CHAIRMAN. Mr. Rice will be here, and we will make some arrangement for Mr. Hart to give it to him.

Mr. HALLEY. Give it to Mr. Rice at the hotel this evening or during the later afternoon if you can get it back here by 3 or 4 o'clock. The committee will be in the courthouse here.

Mr. HART. I don't see how I can get it back here by that time. I have to go up to get it.

Mr. HALLEY. In the later part of this afternoon you can deliver it to Mr. Rice who is at the McAllister Hotel.

Senator HUNT. Do you have anyone in your office whom you can ask to pick it out and send it on down?

Mr. HART. I wouldn't know where to have them look for it because it should have been in the file. It is probably on my desk. It will take time to go through the file.

The CHAIRMAN. If you can't find Mr. Rice, Mr. Brown, would you be the custodian for it?

Mr. BROWN. I would be glad to.

Mr. HALLEY. Also this file stripped down bare of all memoranda, correspondence—anything but official papers that you are required to keep.

Mr. HART. I don't have any correspondence for that man. I just simply do his tax work. I have a little correspondence with the Treasury Department and that is about all.

The CHAIRMAN. Mr. Hart, did Mr. O'Rourke sign these tax returns himself?

Mr. HART. Yes, sir.

The CHAIRMAN. You didn't sign them as the person having prepared the return for him?

Mr. HART. I guess so.

The CHAIRMAN. How about the partnership return? Does it have the person who prepared it on it?

Mr. HART. I don't know, but I think so. I think it does.

The CHAIRMAN. Mr. Hart, just in the ordinary run of things, if somebody brought a tax return that was in controversy, or a copy of one, being a lawyer and an accountant, the first question you would ask would be, "Who prepared this?" Wouldn't that ordinarily be the first question you would ask?

Mr. HART. I must have asked that question?

The CHAIRMAN. You must have asked that question.

Mr. HART. It doesn't appear to me who prepared it. There it is. It has been filed.

The CHAIRMAN. Suppose you wanted to question some figure about it, wouldn't you like to know the person who prepared it so you could check with him and get some explanation of some of the items?

Mr. HART. Not unless I found it necessary to question it. I would just get a copy of a return, and if I found something wrong with it, something I didn't think was right, naturally we would inquire who prepared it.

The CHAIRMAN. You have no idea who prepared it?

Mr. HART. I think the return shows. I know the original shows.

The CHAIRMAN. What is your independent idea as to who prepared it? You must have some idea.

Mr. HART. Mr. Erickson had it prepared. I suppose his accountants did. I don't know. I didn't do any work for Erickson. I never met the man.

The CHAIRMAN. Is it your understanding that the tax return was prepared in New Jersey or New York and sent down to Mr. O'Rourke, or that a copy was sent to him?

Mr. HART. Yes, sir.

The CHAIRMAN. How did you get that understanding?

Mr. HART. Because I got the return from Mr. O'Rourke. He brought it to me.

The CHAIRMAN. Why do you think they were prepared in New York or New Jersey?

Mr. HART. Because that is where Erickson operates. I suppose it is from there.

The CHAIRMAN. Have you had any correspondence with the man who prepared it?

Mr. HART. No.

The CHAIRMAN. Did you ever see Mr. Erickson?

Mr. HART. No, sir; not to my knowledge. I may have seen him, but not that I know of.

The CHAIRMAN. Mr. Halley, what other information is in these files?

Mr. HALLEY. I want to offer in evidence, so they can be examined by the committee after the witness has testified, a box containing canceled checks, vouchers, and bank statements.

The CHAIRMAN. It will be received in evidence and made a part of the record.

(Box containing canceled checks, vouchers, and bank statements received in evidence as exhibit No. 39A. Later returned to witness after analysis by committee.)

Mr. HALLEY. I offer in evidence two folders containing income tax returns, copies, work papers, and other documents relating to income-tax returns of Mr. O'Rourke, submitted here by Mr. Hart.

The CHAIRMAN. Let them be marked and received in evidence.

(Folders of income tax returns, work papers, etc., received in evidence as exhibit No. 39B. Later returned to witness.)

Mr. HALLEY. And I offer in evidence, as a separate exhibit, but part of exhibit No. 39A, an exhibit comprising 15 checks, either payable to or endorsed by or bearing notations with the name "Mickey Cohen."

The CHAIRMAN. Let them be marked and received in evidence.

(Group of 15 checks payable to or endorsed by Mickey Cohen received in evidence as exhibit No. 39C. Later returned to witness.)

The CHAIRMAN. I wanted to ask Mr. Hart one or two questions about those checks. They may have been asked while I was out of the room.

Senator HUNT. They were not.

The CHAIRMAN. Mr. Hart, do you know how this operation worked, this lay-off business; how these checks happened to be issued to Mickey Cohen and to the Atlantic National Bank with Mickey Cohen's name on the left of it?

Mr. HART. Well, of course I don't have any personal knowledge of that, but I am satisfied I know, but I can't swear that I know.

Senator HUNT. Give us your opinion.

The CHAIRMAN. Tell us what you know about it.

Mr. HART. As I understand it, Mickey Cohen telephoned Mr. O'Rourke and gave him some business and they discussed matters and Mr. O'Rourke agreed to take some business, and they would have a set agreement to pay, whenever either one owed the other as much as \$5,000, and the settlements always went west. There didn't any of them come east.

The CHAIRMAN. You mean that Mickey Cohen would lay off bets with Mr. O'Rourke?

Mr. HART. I would guess so. I wouldn't know whether it was lay off or what it was.

The CHAIRMAN. And the other way around; Mr. O'Rourke would bet with or lay off bets with Mickey Cohen?

Mr. HART. Yes, sir.

The CHAIRMAN. Is this referring to bets on the horses or is this in connection with the Boca Raton operation?

Mr. HART. Both of those. Boca Raton is a horse-book operation. Those checks are all in connection with bets on horses.

The CHAIRMAN. They haven't anything to do with his crap game in West Palm Beach?

Mr. HART. No, sir.

The CHAIRMAN. There is one check in particular that I want to get your explanation of, and that is the check dated October 17, 1947, payable to the Atlantic National Bank and made by John F. O'Rourke. In the left-hand corner is a notation "Mickey Cohen B." How was that check cashed? It has no endorsement.

Mr. HART. That was the initial settlement, I believe, and that was cashed and the money sent by Western Union to Mickey Cohen. I believe that is correct on that check.

The CHAIRMAN. Then Mr. O'Rourke apparently took this check to the Atlantic National Bank and withdrew the money in cash, designating that it was withdrawn in order to get it to Mickey Cohen, and apparently he took the cash and sent it to Mickey Cohen by Western Union?

Mr. HART. I think that is correct.

The CHAIRMAN. That check was never sent through the mails to Mickey Cohen, was it?

Mr. HART. No, sir.

The CHAIRMAN. Referring here to the check of October 17, 1947, which apparently is the same date as the check we have been referring to, check No. 127, there is a check of \$3,495, payable to Mickey Cohen with a little notation "B" in the upper part, and signed or made by John F. O'Rourke. That check bears the endorsement of Mickey Cohen and Michael Cohen. Apparently it was deposited in the Hollywood-McFadden branch of the Citizens'-something bank in Los Angeles, Calif.; is that correct?

Mr. HART. I think so; yes.

The CHAIRMAN. How about the checks that Mickey Cohen sent to Mr. O'Rourke?

Mr. HART. Well, I don't know whether Mickey Cohen was smarter than Mr. O'Rourke or whether he had some hot horses but there were never any checks that came that way.

The CHAIRMAN. So that check would have been sent through the mails?

Mr. HART. That is right. He got him hooked at the start and kept him hooked.

The CHAIRMAN. Mr. O'Rourke would bet on horses in California and would bet through Mickey Cohen and he always lost; is that the way it was, or a lay-off proposition?

Mr. HART. No, sir. Mickey Cohen did most of the betting with him and his horses won.

The CHAIRMAN. Where is the record of the transactions of the bets between John F. O'Rourke and Mickey Cohen?

Mr. HART. I never have seen any. These are the settlements.

The CHAIRMAN. There would have to be some way of keeping up with them. These are very substantial amounts of money that they have been passing around.

Mr. HART. Evidently they do keep it.

The CHAIRMAN. Here is one check dated June 7, 1948, No. 292, made out to cash in the amount of \$5,000. That one is endorsed by Lyle Woodhall; is that correct?

Mr. HART. Yes, sir.

The CHAIRMAN. Is that for the purpose of getting money and sending it out by Western Union to Mickey Cohen?

Mr. HART. There was one sent by Western Union and one sent by cashier's check, I believe, and I don't know which is which, to tell you the truth, but this man who endorsed this check is Mr. O'Rourke's cashier.

The CHAIRMAN. Lyle Woodhall?

Mr. HART. Yes, sir.

The CHAIRMAN. What is this notation in the upper left-hand corner?

Mr. HART. The B means bank roll, and the C means Mickey Cohen.

The CHAIRMAN. You are satisfied that these checks or the proceeds from these checks were sent to Mickey Cohen?

Mr. HART. I have no reason to doubt it.

The CHAIRMAN. Anyway, you reported it in the work sheets or income tax as disbursements?

Mr. HART. That is right.

The CHAIRMAN. Did you check the Western Union records to see whether they had been sent?

Mr. HART. No, sir. During the course of this income-tax examination, the revenue agents checked that and gave me the information.

Senator HUNT. Are these both Mr. O'Rourke's signatures? They obviously are not the same handwriting. So which is his signature?

The CHAIRMAN. For the record, we are comparing checks Nos. 155 and 127.

Mr. HART. I think they are both his.

Senator HUNT. These signatures appear to be entirely different.

Mr. HART. I don't see much difference. It is a different pen, but I am sure that is all Mr. O'Rourke's writing. It is written apparently with a heavier hand or a different pen, but I believe those are both his writing.

Senator HUNT. There is a difference in the F.

Mr. HART. That is the only difference I see—in the F. You take the R. It is a peculiar R and it follows right straight through.

Senator HUNT. I am not a handwriting expert, but I don't see any similarity about them.

The CHAIRMAN. Is there anything further?

Mr. HALLEY. I have one or two questions further. Would you explain the items listed under "bank roll"? What is the bank roll? I am now referring to the 1948 work sheets.

Mr. HART. Those are the funds from which they pay their losing bets.

Mr. HALLEY. Is that a cash fund?

Mr. HART. Yes, sir.

Mr. HALLEY. I presume that at the beginning of the year, January 1, 1948, Mr. O'Rourke started out with a certain amount of money in cash which he calls his bank roll; is that right?

Mr. HART. That is right.

Mr. HALLEY. And as it is diminished, it is replenished with cash drawn from the bank by check?

Mr. HART. Yes, sir.

Mr. HALLEY. For example, you show here payments to the bank roll of \$5,000, \$3,000, \$5,000, \$2,000, and so on down the line, making a total of payments to the bank roll of \$221,400; is that right?

Mr. HART. That is right.

Mr. HALLEY. What was his original bank roll as of January 1, 1948? What did he start with?

Mr. HART. Apparently there was no change from 1947. I will have to determine it. Apparently there was no change from 1947.

Mr. HALLEY. How much did he have in this cash bank roll on January 1, 1948?

Mr. HART. The standard bank roll has been \$3,000.

Mr. HALLEY. Do you mean that that is the capital that he uses?

Mr. HART. That is the bank roll he handled for the cashier.

Mr. HALLEY. Does he have a bank roll at the book as well as at the crap game?

Mr. HART. They use the same one. They use it in the book in the daytime and the crap game at night.

Mr. HALLEY. And when the bank roll needs more money, a check is just made, cash is taken out and put in the bank roll; is that right?

Mr. HART. That is right.

Mr. HALLEY. How do you know that the money that goes into the bank roll is actually paid to pay losses in gambling?

Mr. HART. I haven't said I did know.

Mr. HALLEY. Is there any way anybody in the world would know that Mr. O'Rourke is not putting that money in his pocket, or some substantial amount which in 1948 amounted up to \$221,400?

Mr. HART. I don't know how anyone would know.

Mr. HALLEY. I have no other questions.

The CHAIRMAN. With regard to these checks to replenish the bank roll, how would they be made? Cashed and the money taken out of the bank?

Mr. HART. Cashed at the bank.

The CHAIRMAN. That would be done by Mr. O'Rourke himself?

Mr. HART. He writes the checks and may send somebody to cash them.

The CHAIRMAN. May send his cashier around?

Mr. HART. Or some other employee who is available at the time.

The CHAIRMAN. Are there any records at Boca Raton or at the dice game to show that these replenishments, as represented by checks, were actually receipted into the bank roll?

Mr. HART. I don't think so.

Mr. HALLEY. Don't you keep the betting sheets?

Mr. HART. I probably had the betting sheets, but they sure don't keep them.

Mr. HALLEY. What do they do with them?

Mr. HART. They are destroyed.

Mr. HALLEY. Each day?

Mr. HART. I think daily.

Mr. HALLEY. What motive would they have to destroy them if these are honest records that we have been talking about?

Mr. HART. They have frequent raids by the law-enforcement officials and they don't like to have these records around as evidence to be picked up by a J. P. or constable or whoever comes in to raid the place.

The CHAIRMAN. In what county is Palm Beach or West Palm Beach?

Mr. HART. Palm Beach County.

The CHAIRMAN. Who is the sheriff up there?

Mr. HART. John Kirk.

The CHAIRMAN. How long has he been the sheriff?

Mr. HART. Maybe 3 or 4 years.

The CHAIRMAN. This dice game in West Palm Beach is something anybody can walk in to that wants to play?

Mr. HART. I think it was; yes, sir.

The CHAIRMAN. And the Boca Raton operation was something that anybody out there who wanted to participate could participate in?

Mr. HART. I have never been there. I don't know a thing about it, really. I don't know where it was operated.

The CHAIRMAN. That is all.

Senator HUNT. Mr. O'Rourke carried on his book operations to a considerable extent with telephone service, didn't he?

Mr. HART. During the times when his front door was locked, he did some telephone business, and these big transactions with Mickey Cohen where he lost pretty near everything he had was by telephone.

Senator HUNT. Someone would telephone in a bet and if he happened to win, Mr. O'Rourke would need to pay him. What process would he use in paying him? Would he send cash by messenger or would he make him call and collect the bet or write him a check and mail him his winnings?

Mr. HART. Well, most of the checks that are written are to pay bets from out of town. The local people who bet over the telephone and win come in the next day and collect.

Senator HUNT. Those checks that went out of town, of course, would go through his checking account and would go through your accounting in making up his income tax?

Mr. HART. That is right.

Senator HUNT. That is all.

The CHAIRMAN. With regard to these local people who would call up—say John Jones would call up and want to bet \$10 on a certain horse, would Mr. O'Rourke take the bet when Mr. John Jones would put his money up, or would it be on credit?

Mr. HART. At the moment it would be on credit. If he lost he would either come and pay, or they would come out to collect. If he won they usually made him come after it.

The CHAIRMAN. Suppose Mr. O'Rourke got a bet of \$10,000 or \$12,000, too big an amount for him, would that be when he would lay some of it off to some other man?

Mr. HART. Yes; either a big bettor or a lot of little bettors whenever he got more on a particular horse than he could carry.

The CHAIRMAN. Who would he lay off to?

Mr. HART. Sometimes he would lay it off locally.

The CHAIRMAN. Mention one name. Mr. Chappell mentioned one that lived in Miami.

Mr. HALLEY. Luke Church.

Mr. HART. He laid off bets to him, and there are others, but I just don't remember the names.

The CHAIRMAN. He lays off with Frank Erickson?

Mr. HART. He might.

The CHAIRMAN. He might lay off to Mickey Cohen?

Mr. HART. Mickey Cohen's operations might have been lay off; yes, sir.

The CHAIRMAN. That is all.

Mr. HALLEY. Thank you.

Senator HUNT. I want to ask you a few questions. These checks are most interesting because of the tremendous amounts involved and being a one-way street apparently on which Mr. O'Rourke never won.

Would you be in a position to tell us whether or not Mr. O'Rourke was made to remit these moneys because of any threats within gangland, so-called?

Mr. HART. I never heard of any such things; no, sir. He took the bets and he lost and he paid off. Gamblers have a sort of code of ethics of their own and they trust one another and if they lose they pay off.

Mr. HALLEY. What happens if they don't pay off, if the trust doesn't work?

Mr. HART. I have never known of a local instance where anything happened where he wasn't paid off. I don't think I know of a bet where a book didn't pay off. There has been a few colored-town operations where there were some mysterious shootings reputed to be caused by bets not being paid off on bolita.

Mr. HALLEY. Isn't it a fact that you don't live long in the gambling business if you don't pay off?

Mr. HART. I presume that is true.

The CHAIRMAN. Did Mr. O'Rourke have a policy operation or a numbers racket or any connection with that?

Mr. HART. No, sir.

The CHAIRMAN. During any of the times that you kept his records?

Mr. HART. No, sir; not that I know of.

The CHAIRMAN. Was it brought out how many telephones he had in the Boca Raton operation, or do you know?

Mr. HART. No, sir; I don't know.

The CHAIRMAN. All right. Is there anything further?

Mr. HALLEY. Not of this witness.

The CHAIRMAN. Thank you, Mr. Hart.

TESTIMONY OF JOHN F. O'ROURKE, WEST PALM BEACH

Mr. HALLEY. What is your address, Mr. O'Rourke?

Mr. O'ROURKE. 521 Second Street.

Mr. HALLEY. Do you have a place of business?

Mr. O'ROURKE. I did have.

Mr. HALLEY. Where was it?

Mr. O'ROURKE. It was in the Datura Arcade.

The CHAIRMAN. This is in West Palm Beach?

Mr. O'ROURKE. That is right.

The CHAIRMAN. Mr. O'Rourke, will you rise and be sworn?

Do you solemnly swear that the testimony you will give the committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. O'ROURKE. I do.

Mr. HALLEY. What business did you have there?

Mr. O'ROURKE. Bookmaking.

Mr. HALLEY. You said it has been closed?

Mr. O'ROURKE. Yes; but we sneak a lick with a customer once in a while.

Mr. HALLEY. You say they cut your wire off?

Mr. O'ROURKE. We lost it.

Mr. HALLEY. What wire did you have?

Mr. O'ROURKE. I don't know where that wire came from. As far as I know, it was the one that was leased.

Mr. HALLEY. Who did you lease it from?

Mr. O'ROURKE. I couldn't tell you the name of that company to save my soul.

Mr. HALLEY. I think you had better tell us the name of the company.

Mr. O'ROURKE. I will find out and tell you, but I swear I can't give you the title of it.

Mr. HALLEY. How long did you have the wire?

Mr. O'ROURKE. I guess the wire I had 6, 7, or 8 years.

Mr. HALLEY. And who cut it off?

Mr. O'ROURKE. I imagine the State did.

Mr. HALLEY. When you originally got the wire, who did you see; who did you talk to?

Mr. O'ROURKE. That has been so long ago—I think it changed hands since then.

Mr. HALLEY. Who did you talk to then?

Mr. O'ROURKE. I just can't remember. I don't remember who it was. In fact, I can't recall who it was. I think it was in 1932, if I remember right.

Mr. HALLEY. Can you give the name of anyone with whom you dealt in connection with that wire?

Mr. O'ROURKE. Yes; I can give you a man, a fellow by the name of Burns.

Mr. HALLEY. You paid off a man by the name of Burns; is that right?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. What is his full name?

Mr. O'ROURKE. Dave.

Mr. HALLEY. David Burns?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. Where does he live?

Mr. O'ROURKE. I think he lives in Miami.

Mr. HALLEY. Where do you pay him?

Mr. O'ROURKE. He comes around to the place to collect the money.

Mr. HALLEY. He comes to your place of business to collect?

Mr. O'ROURKE. That is right.

Mr. HALLEY. Do you pay him by check or in cash?

Mr. O'ROURKE. By check.

Mr. HALLEY. Supposing something goes wrong with the wire, to whom do you complain?

Mr. O'ROURKE. I don't handle that, to be frank with you. We don't have any operation with the wire. As far as that is concerned, it is more or less comes through—I don't fool with it. I don't complain of operating it or fool with it. I don't know who the man who operates it calls. I guess he calls some serviceman.

Mr. HALLEY. Let's quit beating around the bush. Isn't it a fact that you are protecting the people who are furnishing you with the wire?

Mr. O'ROURKE. I can't answer truthfully because I don't handle that part of it.

Mr. HALLEY. You just in your own way, without my trying to ask a lot of questions tell this committee where you get your wire service—from whom and what the arrangements are.

Mr. O'ROURKE. I told you—Mr. Burns comes around and collects twice a week and as far as me knowing the title of the company or who has the contract or anything about that, I can't tell you truthfully because I don't know.

Mr. HALLEY. Where can you find Mr. Burns in Miami?

Mr. O'ROURKE. I don't know his address.

Mr. HALLEY. You mean a man whom you don't know where to locate comes to your place of business twice a week to collect money?

Mr. O'ROURKE. No; they don't come twice a week. Sometimes once a month. That is when we were operating; maybe once ever 2 months, maybe he comes twice a week or twice a month.

Mr. HALLEY. For whom did Mr. Burns work?

Mr. O'ROURKE. I can't tell you that. I guess he comes from the people who had the wire.

Mr. HALLEY. Don't you know that?

Mr. O'ROURKE. I know you people know the name of it, but I can't recall. If I did, I would give it to you, honestly.

Mr. HALLEY. Did you ever have a contract for the use of the wire?

Mr. O'ROURKE. No contract.

Mr. HALLEY. An oral agreement?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. What were the terms of the agreement?

Mr. O'ROURKE. Only so much a week. In the summer we pay \$50 a week, and maybe in the winter it went up to \$125 a week.

Mr. HALLEY. Is that the fact: is that your best recollection?

Mr. O'ROURKE. In certain months during the summertime, when it was busy, we paid \$75 a week, and it would go up with the season.

Mr. HALLEY. Who would fix the amount? Would Mr. Burns come in and tell you what you were going to pay?

Mr. O'ROURKE. He would say, "John, we are going to raise the price now. It is \$150," or whatever it was.

Mr. HALLEY. Did you ever argue about it?

Mr. O'ROURKE. No, I never did.

Mr. HALLEY. Did the repair man come from time to time to fix the wire?

Mr. O'ROURKE. The wire was not directly in the place. Some repairman must have come in—I don't handle that at all.

Mr. HALLEY. Who handled the wire at your place of operations?

Mr. O'ROURKE. There isn't any individual that handles it at my place of operations. If you want me to explain it, I will give you the whole detail.

Mr. HALLEY. I would appreciate it.

Mr. O'ROURKE. For the Senators' benefit and for the committee's benefit, I have nothing to hide on it.

In West Palm Beach, the wire service comes in into a central office, and we have a broadcasting system that runs out there through a speaker, just like you run a speaker from this room to over there. That is the way it is handled.

Mr. HALLEY. Where is the central office?

Mr. O'ROURKE. It doesn't come directly into the place.

Mr. HALLEY. Where is the central office?

Mr. O'ROURKE. Evidently the central office is not there now.

Mr. HALLEY. Where was it last?

Mr. O'ROURKE. Last it was in a room across in the Datura Arcade from where I am in another room. There were several books run there that were getting this information and we run the wire speakers out from there.

Mr. HALLEY. Where did the service come from? Did it come up from Miami?

Mr. O'ROURKE. I can't swear to that, but I can give you my opinion if you want it. I can't swear because I don't know. I think it was a leased wire from one end of the State to the other, but I can't swear to it. I am just paying them off as a service.

Mr. HALLEY. What is your present business?

Mr. O'ROURKE. I am not doing anything. I am looking for a job.

Mr. HALLEY. When did you last run a book?

Mr. O'ROURKE. You mean an open place?

Mr. HALLEY. Open or closed.

Mr. O'ROURKE. I still take a few bets on horses now.

Mr. HALLEY. In West Palm Beach?

Mr. O'ROURKE. Yes. Any time a friend calls me up and I have friends who want to bet on a horse.

Mr. HALLEY. Do you do that by telephone?

Mr. O'ROURKE. Not necessarily. I haven't a telephone in my place.

Mr. HALLEY. How do you get the business? You said "any time a friend calls me up."

Mr. O'ROURKE. Calls me at home or anywhere else, or if I see him on the street or run in to him.

Mr. HALLEY. Where do you lay off your bets now?

Mr. O'ROURKE. I don't get that much business.

Mr. HALLEY. You don't lay off at all?

Mr. O'ROURKE. No.

Mr. HALLEY. When did you last operate openly?

Mr. O'ROURKE. I think it was around February a year ago; around that time.

Mr. HALLEY. February of 1949?

Mr. O'ROURKE. Yes. Right after this State administration went in. I remember it was shortly after that. It was around February. I am quite sure. It was right after the State administration—

Mr. HALLEY. They shut you down?

Mr. O'ROURKE. No; it was a local situation more or less. You know how local things are.

Mr. HALLEY. I think the committee would like to know a little more about how this particular situation worked.

Mr. O'ROURKE. It was just one of those things; everything went down. We just were—the wire service was closed up.

Mr. HALLEY. Who did it? The sheriff?

Mr. O'ROURKE. The sheriff didn't do it.

Mr. HALLEY. Who closed up your place?

Mr. O'ROURKE. It was closed up on account of—one part about it was on account of the grand jury session; the grand jury investigating.

Mr. HALLEY. The grand jury?

Mr. O'ROURKE. Yes; they are still hot now.

Mr. HALLEY. Who runs the grand jury? Is there a district attorney?

Mr. O'ROURKE. State's attorney.

Mr. HALLEY. For the county?

Mr. O'ROURKE. Yes.

Mr. HALLEY. And when they started, everybody stopped open operations?

Mr. O'ROURKE. Yes. We operate at the discretion of the people.

Mr. HALLEY. Was anybody arrested?

Mr. O'ROURKE. I was.

Mr. HALLEY. Were you convicted?

Mr. O'ROURKE. No.

Mr. HALLEY. Was anybody else arrested?

Mr. O'ROURKE. No.

Mr. HALLEY. What happened to your case?

Mr. O'ROURKE. It was a funny situation. It is on record. I happened to be attacked by the flying squad.

Mr. HALLEY. Who are the "flying squad"?

Mr. O'ROURKE. The beverage department.

Mr. HALLEY. Is that the State beverage department?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. What would they be doing in a gambling place? Were you also selling liquor?

Mr. O'ROURKE. No. In fact, we were practically closed at that time when they came in, but they had a little stand in there that sold beer, and that carries a liquor license. Just bottled beer.

Mr. HALLEY. You were arrested for selling beer?

Mr. O'ROURKE. That is to give them the privilege of coming in.

Mr. HALLEY. Then you were arrested for making a book; is that right?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Is that case still pending?

Mr. O'ROURKE. No. That case was thrown out on account of a search warrant.

Mr. HALLEY. What judge?

Mr. O'ROURKE. Justice of the peace.

Mr. HALLEY. What is his name?

Mr. O'ROURKE. Harper.

Mr. HALLEY. Do you know his full name?

Mr. O'ROURKE. No. They call him "Sleepy."

Mr. HALLEY. "Sleepy" Harper?

Mr. O'ROURKE. Yes.

Mr. HALLEY. In West Palm Beach?

Mr. O'ROURKE. Yes, sir. He ran for the legislature at that time.

Mr. HALLEY. Let's go back to the good old days in 1948. You were operating wide open then; were you not.

Mr. O'ROURKE. That is right.

Mr. HALLEY. Nobody arrested you?

Mr. O'ROURKE. No.

Mr. HALLEY. You had no trouble then?

Mr. O'ROURKE. No. I don't know of any at that time.

Mr. HALLEY. What business were you operating in 1948?

Mr. O'ROURKE. In what way do you mean?

Mr. HALLEY. You had certain gambling operations in 1948. Would you specify what they were?

Mr. O'ROURKE. I was running a book, and I had a night crap game running, too.

Mr. HALLEY. Both in West Palm Beach?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. Any other operations?

Mr. O'ROURKE. Well, if you call agents out in a hotel which I included in the book—

Mr. HALLEY. Would you specify what those agencies were?

Mr. O'ROURKE. Only one, in the Boca Raton Club.

Mr. HALLEY. Any others?

Mr. O'ROURKE. No; not as I can recall now.

Mr. HALLEY. The Roney Plaza?

Mr. O'ROURKE. No, sir.

Mr. HALLEY. No other hotels?

Mr. O'ROURKE. No.

Mr. HALLEY. How did you happen to go into the Boca Raton?

Mr. O'ROURKE. Well, it is a funny story there. It seems that most of the hotels were having books in them and the management wanted to put in a book down there.

Mr. HALLEY. Do you mean Mr. Schine?

Mr. O'ROURKE. Yes, sir. And for entertainment of customers, and it was kind of isolated, and I went down and talked to him.

Mr. HALLEY. How did you find out that the management wanted to put a book in?

Mr. O'ROURKE. He contacted me.

Mr. HALLEY. Mr. Schine contacted you?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Did he phone you?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Mr. Schine personally telephoned you?

Mr. O'ROURKE. I can't swear to that, but he had someone in his hotel, the manager or someone like that.

Mr. HALLEY. You are talking about Mr. Schine Sr.?

Mr. O'ROURKE. Yes, sir; Morris.

Mr. HALLEY. And you went down to see him at the Boca Raton?

Mr. O'ROURKE. That is right.

Mr. HALLEY. What was the conversation? What year was this?

Mr. O'ROURKE. 1947, I think it was. I was there 2 years.

Mr. HALLEY. Started in the fall of—

Mr. O'ROURKE. The first year—what year was it that—this is 1950—1949—it was 1947 or 1948.

Mr. HALLEY. You saw him at the hotel?

Mr. O'ROURKE. Yes.

Mr. HALLEY. That would be in the fall of 1947?

Mr. O'ROURKE. That would have been, if I would recollect, before the Christmas holidays.

Mr. HALLEY. Would you tell the committee what he said to you and what you said to him?

Mr. O'ROURKE. The conversation, the best I can recollect, would be like this: Boca Raton had quite a reservation list and it was isolated—nothing but cabanas and a golf course—and he figured if I could or would entertain the idea he would like to have someone run a book there for his customers in the afternoon.

Mr. HALLEY. Did you discuss terms and rents to be paid to the hotel?

Mr. O'ROURKE. He discussed them more frequently than I did.

Mr. HALLEY. Did he get a cut of the profits?

Mr. O'ROURKE. No, sir; he didn't. He was cold-blooded. I tried to make him that proposition, but I didn't get it.

Mr. HALLEY. Didn't he want to take a cut?

Mr. O'ROURKE. No, sir.

Mr. HALLEY. What did he get?

Mr. O'ROURKE. A straight fee.

Mr. HALLEY. How much?

Mr. O'ROURKE. I can't recollect that. The checks will show that because it was a pretty good amount.

Mr. HALLEY. How did Mr. Frank Erickson get into that deal, too?

Mr. O'ROURKE. I will tell you how that was, too: In talking to Mr. Schine, he said—in fact, the deal was too much for me to handle for the price that he asked, and I said, "I just can't go for it because I am not that kind of man," and he said, "I would like to do it," and I said, "I would like to, but I can't consider it," and I never met Mr. Erickson and didn't know of him. I knew of him by reputation, and he said, "Maybe you can work it around to where it won't be so tough on you," so he gave me Mr. Erickson—where Mr. Erickson was, and I don't know if he made an appointment or if I made an appointment. He was stopping in Miami at the Roney Plaza Hotel, and I said that I would go down and talk to him. So, I went down and talked to him and he said, "John, if you want to take a gamble on it, I will go with you." That was practically the substance of the conversation.

Mr. HALLEY. You were in as 50-50 partners?

Mr. O'ROURKE. That is right, because up there there were some customers that I couldn't have handled anyway and that was the whole situation. If we weren't 50-50 partners, I wouldn't hardly go in, because I couldn't take the situation at that price we were paying,

and he said, "Maybe we will make some money and maybe not; but if you are willing, I will go into it with you."

Senator HUNT. Do you remember what the price was? What was the office cost per month?

Mr. O'ROURKE. This was on a season basis.

Senator HUNT. Would it be \$100 or \$1,000 a month?

Mr. O'ROURKE. Not per month. If I remember right, it was right around—I don't know—\$27- or \$25- or around \$20,000.

Senator HUNT. \$20,000 for the season?

Mr. O'ROURKE. \$20,000 for the full season.

Senator HUNT. And you made the check to Mr. Schine?

Mr. O'ROURKE. To the Boca Raton Club.

Mr. HALLEY. In your bookmaking business, did you lay off your bets with anyone?

Mr. O'ROURKE. Very seldom. Sometimes I received bets from them, but I always ran my business this way and tried not to take any more than I could handle myself, but sometimes I would make personal bets myself—if you call that laying off; and again, if you have a friend that maybe wants to bet a little money and you didn't want to hold it or maybe I want to bet on his horse or make a bet, too.

Mr. HALLEY. Who would you lay off to?

Mr. O'ROURKE. Mostly around town; the local boys around town.

Mr. HALLEY. Could you name the people?

Mr. O'ROURKE. Mr. Risdon, Mr. McRichie.

Mr. HALLEY. What are their full names?

Mr. O'ROURKE. Joe Risdon.

Mr. HALLEY. In Miami or West Palm Beach?

The CHAIRMAN. What about Tracy?

Mr. O'ROURKE. Matty?

Mr. HALLEY. Also West Palm Beach?

Mr. O'ROURKE. Matthew J. Tracy. He is from West Palm Beach.

Mr. HALLEY. Did you ever lay off with Luke Church in Miami?

Mr. O'ROURKE. Not directly to him.

Mr. HALLEY. How would that come about?

Mr. O'ROURKE. That would go to a fellow, but not very much lay off, either. At one time I did, too. It was through Dick Evans.

Mr. HALLEY. You mean through Dick Evans you laid off to Luke Church?

Mr. O'ROURKE. No. I think, if I remember right, it may be that Luke Church was working for Dick Evans. They had some connection; but, so far as Luke Church was concerned, I wouldn't know him if he walked into the room, but I knew Dick very, very well.

Mr. HALLEY. Where is Evans?

Mr. O'ROURKE. He is dead now.

Mr. HALLEY. Where was he?

Mr. O'ROURKE. He was in Miami.

Mr. HALLEY. Did you ever lay off with Erickson?

Mr. O'ROURKE. Never did any business with Erickson. Never made an out-of-town bet with Erickson in my life. The only transaction with Erickson was with the Boca Raton Club.

Mr. HALLEY. On the Boca Raton Club you actually ran the book?

Mr. O'ROURKE. No; he had a man there.

Mr. HALLEY. He had a man there?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Did you have a man there or were you there yourself?

Mr. O'ROURKE. I don't think I made two trips down there the whole season.

Mr. HALLEY. Did you have a man there?

Mr. O'ROURKE. Yes.

Mr. HALLEY. How many men did you have there?

Mr. O'ROURKE. We hired some fellows around the club. We had some cabana boys and a locker-room boy.

Mr. HALLEY. Who did Erickson have there?

Mr. O'ROURKE. Erickson had a man by the name of Steve Mauro, I think his name was.

Mr. HALLEY. How do you spell Mauro?

Mr. O'ROURKE. I think he was Italian—M-a-u-r-o.

Mr. HALLEY. Did you do any business with Mickey Cohen?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. Would you describe the circumstances?

Mr. O'ROURKE. I hate to tell you because it was disastrous, but I will tell you what happened. Mickey called me—this was before he got a lot of publicity—I think the records show, he called me and said, "Do you want to take some business?"

I said, "Who in hell are you?"

He said, "Mickey Cohen from Los Angeles."

He asked if he could bet on some California horses and I said, "No, only Florida," and he said, "All right," and I said, "I will have to investigate you."

I did, and the only thing I was interested in finding out was finding out if his credit was fairly good and if it was reliable.

Mr. HALLEY. Had you heard of him before?

Mr. O'ROURKE. No; I hadn't.

Mr. HALLEY. You never heard of him?

Mr. O'ROURKE. Never.

Mr. HALLEY. He called you out of a clear blue sky with no introduction?

Mr. O'ROURKE. Yes; out of a clear blue sky.

Mr. HALLEY. Did you ask him how he had heard of you?

Mr. O'ROURKE. I didn't ask him that.

Mr. HALLEY. How did he know you were operating in West Palm Beach?

Mr. O'ROURKE. I don't know how, but news gets around pretty fast.

Mr. HALLEY. What was the news that got to Los Angeles about you?

Mr. O'ROURKE. I don't know how he got it there.

Mr. HALLEY. Did it strike you as funny as it strikes me?

Mr. O'ROURKE. It strikes me as funny as it does you, but it happened that I have some relatives in California and I called them up.

Mr. HALLEY. Did they recommend him?

Mr. O'ROURKE. No; they didn't recommend him. He has got a little reputation, but he has a reputation of paying. I said, "That is all that is necessary for me. I will take a shot at him, and I will see if he is hot or if he is cold."

Several days later he called me and said, "If you want some business I can give you some business. I want to bet on some California horses."

I said, "I don't go for any California horses. It is too damned close to the race track for me."

He said, "I will give you some eastern horses," and I said, "All right," and we did business, and if I remember right, we would settle on maybe if I owed him \$5,000 or if he owned me \$5,000, we would settle on that basis. I never did catch him.

Mr. HALLEY. Did you place any bets with him?

Mr. O'ROURKE. Only personal bets; maybe some times. I remember one day he hit me a pretty good lick, and I grabbed the racing form and tried to pick me one to get even. That was all I did. I was trying to get out.

Mr. HALLEY. How much money did you bet with Mickey Cohen?

Mr. O'ROURKE. I don't think I bet \$1,500. I don't think I really bet that much with him on my bets with him.

Mr. HALLEY. On one occasion or all together?

Mr. O'ROURKE. I think maybe one afternoon I might have either—no, that was different \$100- and \$200-bets. If I remember right, I gave him very few bets.

Mr. HALLEY. Was he betting his own money, or laying off to you?

Mr. O'ROURKE. That I couldn't say, but from our conversation, I imagine he was doing a little betting himself.

Mr. HALLEY. Did he pick a great many winners?

Mr. O'ROURKE. The checks will show he did. I know I cut him off pretty damned quick.

Mr. HALLEY. You cut him off?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. You ran almost a year with him, didn't you?

Mr. O'ROURKE. No; I don't think so.

Mr. HALLEY. I have the checks here starting in October of 1947 and running through November 1948.

Mr. O'ROURKE. Well, that may be true, but some of that business was some money that I owed him and stood him off until I could pay him.

Mr. HALLEY. On November 27, 1948, there are two \$2,500 checks.

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. Is that money you had owed him?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. How long can you get along owing money to Mickey Cohen?

Mr. O'ROURKE. I don't know.

Mr. HALLEY. How had you owed it to him? One of these checks is November 1 and the other one is November 15.

Mr. O'ROURKE. That is right.

Mr. HALLEY. Was that paying a single item for \$5,000?

Mr. O'ROURKE. That is right.

Mr. HALLEY. In June of 1948 you paid him \$5,000. That you didn't owe him?

Mr. O'ROURKE. I think that was some of the balance due. We might have done business for 6 or 7 or 8 months.

Mr. HALLEY. Right at the start he won a good deal of money from you in 1947?

Mr. O'ROURKE. That is right.

Mr. HALLEY. And you kept on doing business?

Mr. O'ROURKE. No; I cut him down. I was trying to get my money back. Instead of taking maybe \$400 or \$500 on a horse, I would take \$100 or something like that.

Mr. HALLEY. These checks are for rather large sums of money. Do they represent the accumulation of a considerable number of bets?

Mr. O'ROURKE. Yes.

Mr. HALLEY. They weren't big bets of \$10,000?

Mr. O'ROURKE. Nothing like that. I don't think his top bet would be over \$300 or \$400; maybe on an even money shot or a 2 to 1 shot I would handle \$500.

Mr. HALLEY. He would lose some of them. He never won them all, did he?

Mr. O'ROURKE. Sure, he'd lose some. I have had him hooked before and he sent me a check.

Mr. HALLEY. Who kept the arithmetic on all of these \$100 bets back and forth?

Mr. O'ROURKE. We would make a sheet on it and send it out.

Mr. HALLEY. Where are those sheets now?

Mr. O'ROURKE. I don't know. They are destroyed.

Mr. HALLEY. Who destroyed them?

Mr. O'ROURKE. After that raid and all of that up there, I think a lot of it dissipated.

Mr. HALLEY. Did you keep them until the raid?

Mr. O'ROURKE. No; I don't think so. After I settled up on the amounts and stuff and made the checks out, I don't think I kept any of those records. It was made on a slip like that [indicating].

Mr. HALLEY. Before you sent him a check, would you call him up and say, "Look here. This is what I owe you"?

Mr. O'ROURKE. He always called me.

Mr. HALLEY. He would keep a record and you would keep a record?

Mr. O'ROURKE. That is right.

Mr. HALLEY. And then there would be a phone call?

Mr. O'ROURKE. He would call me. If we bet today, tomorrow morning or tomorrow afternoon he would call to see if we checked.

Mr. HALLEY. Did you balance your credits and your standing practically every day by telephone? He would be calling every day?

Mr. O'ROURKE. That is right.

Mr. HALLEY. Each day you compared?

Mr. O'ROURKE. Yes. We would put the balance at the top and start another day.

Mr. HALLEY. And you ripped up those sheets?

Mr. O'ROURKE. Yes. We didn't keep them.

Mr. HALLEY. You did a lot of business in 1948, didn't you? You handled a lot of money?

Mr. O'ROURKE. I guess I did.

Mr. HALLEY. Almost over \$750,000 at the Boca Raton place alone?

Mr. O'ROURKE. I don't know the exact figure there.

Mr. HALLEY. Well, there was a lot of money.

Mr. O'ROURKE. They made some good business. I think they did handle some business there.

Mr. HALLEY. Some very substantial business?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. And the records show it to be over \$750,000 in a 3-month season. You wouldn't be surprised if the records showed that, would you?

Mr. O'ROURKE. No; I don't think so. I don't know if it was or not.

Mr. HALLEY. Do you know whether it sounds reasonable to you?

Suppose I told you that between January and April, a period of just 3 months, there were gross receipts of at least \$750,000. Would that surprise you?

Mr. O'ROURKE. It might at that. The only thing I was keeping was the winning and losing account.

Mr. HALLEY. What would you do? Were you the operator or did Frank Erickson come in and check up there on the people who were there each day?

Mr. O'ROURKE. Frank had his man and he would check each day.

Mr. HALLEY. You have to watch people pretty carefully to see that they don't put their friends in on some bets after the race is over, don't you?

Mr. O'ROURKE. I don't think men of his type would do that.

Mr. HALLEY. Men of whose type?

Mr. O'ROURKE. Erickson. He is a legitimate bookmaker.

Mr. HALLEY. Do you consider Erickson a legitimate bookmaker?

Mr. O'ROURKE. He is an honest man.

Mr. HALLEY. How you mean "legitimate"? You don't mean that he operates within the law, do you?

Mr. O'ROURKE. I don't think he would take advantage of me or you or anybody else in the business and do an underhanded trick like that.

Mr. HALLEY. I was talking about something else. You have employees operating at the hotel?

Mr. O'ROURKE. Yes.

Mr. HALLEY. And they were taking bets?

Mr. O'ROURKE. Yes.

Mr. HALLEY. And paying off for you?

Mr. O'ROURKE. Yes.

Mr. HALLEY. You are not there every minute yourself, are you?

Mr. O'ROURKE. I was not there at all.

Mr. HALLEY. Never?

Mr. O'ROURKE. No. Maybe once or twice during the whole season, but I never did go around the place.

Mr. HALLEY. Who actually operated it?

Mr. O'ROURKE. Mauro. Mauro was running it.

Mr. HALLEY. And your part was just furnishing half the capital?

Mr. O'ROURKE. Well, when we started off, there was not much financing to do.

Mr. HALLEY. For what reason did Erickson need you?

Mr. O'ROURKE. No particular reason. I was around in Boca Raton, and I was taking bets around the locker house and stuff like that—small bets—and then Schine approached me. That was when I turned the proposition down because it looked like it was too much for me to handle and then the subject of Erickson came up.

Mr. HALLEY. From Schine?

Mr. O'ROURKE. That is right.

Mr. HALLEY. Then Mr. Schine provided half the capital?

Mr. O'ROURKE. Schine didn't.

Mr. HALLEY. I mean Erickson.

Mr. O'ROURKE. Erickson would stand good for it.

Mr. HALLEY. Did you get reports each day of the operations, or each week?

Mr. O'ROURKE. Only win and lose.

Mr. HALLEY. Each day?

Mr. O'ROURKE. That is right.

Mr. HALLEY. What did you do with them?

Mr. O'ROURKE. I would mark it down and keep a record of it. Like maybe a fellow would bring you a check to pay a bet, or I would get a check for \$8,000 or \$9,000 and I deposited it in my account.

Mr. HALLEY. Who kept the records for that?

Mr. O'ROURKE. Mauro did.

Mr. HALLEY. Who kept the bank roll for it?

Mr. O'ROURKE. Mauro.

Mr. HALLEY. Who kept the bank account for it? The commercial bank?

Mr. O'ROURKE. No. Only the checks that came in, I deposited them.

Mr. HALLEY. You would put in all the checks that were brought to you from Boca Raton?

Mr. O'ROURKE. That is right, in my account.

Mr. HALLEY. Mauro would bring them to you?

Mr. O'ROURKE. That is right. I would put them through the bank roll to pay off. Then I would write a check and put it in.

Mr. HALLEY. What accounts are you referring to?

Mr. O'ROURKE. Personal account.

Mr. HALLEY. At the Atlantic National Bank?

Mr. O'ROURKE. My bank account; my account.

Mr. HALLEY. Was there a lot of cash bet at Boca Raton?

Mr. O'ROURKE. Considerable.

Mr. HALLEY. So that most of the betting at Boca Raton was by check?

Mr. O'ROURKE. Most of it was by check.

Mr. HALLEY. Was the pay-off in cash or by check?

Mr. O'ROURKE. Sometimes I wrote a check. Maybe some people I would give cash, or do it on exchange, like people win today and lose tomorrow, or sometimes you carry a man on account until he check out—stuff like that, and at the end of the day maybe he would be winners, but he didn't get the money, but the guest is still there, and maybe he would lose \$500 today or tomorrow, and that would go as winnings to me. At the end of the season, when he checked out after a 2 weeks' stay, he may owe me or I may owe him, and whenever that check came in, I deposited it.

Mr. HALLEY. These checks went into your account?

Mr. O'ROURKE. That is right.

Mr. HALLEY. What work did Mauro have to do?

Mr. O'ROURKE. He kept the winnings and losings.

Mr. HALLEY. Each day?

Mr. O'ROURKE. Yes.

Mr. HALLEY. What did he do with the winnings and losings?

Mr. O'ROURKE. Checks or anything he turned over to me for deposit.

Mr. HALLEY. What did he do with those that he would get each day?

Mr. O'ROURKE. I don't know. He gave me a report at the end, which I mailed to New York.

Mr. HALLEY. Who made the income tax return for the operation at Boca Raton?

Mr. O'ROURKE. For who?

Mr. HALLEY. The partnership.

Mr. O'ROURKE. I didn't make any partnership return.

Mr. HALLEY. The partnership return was made by Erickson's accountant?

Mr. O'ROURKE. That is right, later. I didn't know they were going to make a partnership return.

Mr. HALLEY. Where did Erickson's accountant get the figures?

Mr. O'ROURKE. From Mauro, I guess.

Mr. HALLEY. And he showed a certain amount of profit and a certain amount of loss in that partnership return?

Mr. O'ROURKE. That is right.

Mr. HALLEY. When did you get your share of the profits? How did that work?

Mr. O'ROURKE. The first year, I believe, I owed them the difference between the deposits of the checks, if I remember correctly—the checks that I deposited in the bank—the difference between that—Erickson had some coming and I think I gave him a check for that.

Mr. HALLEY. I am completely lost in this accounting. I don't even begin to see how you did it. Let's try to work it out.

Let's say here is a Boca Raton man comes in and bets \$1,000.

Mr. O'ROURKE. Yes, sir; for the day?

Mr. HALLEY. Yes, and at the end of the day he is loser by \$900.

Mr. O'ROURKE. Yes.

Mr. HALLEY. He settles up at the end of the day; is that right?

Mr. O'ROURKE. Not necessarily.

Mr. HALLEY. What happens to the \$900 that the customer owes at the end of January—say January 4, 1948?

Mr. O'ROURKE. January 4, 1948, if I remember, they carried this this way, to the best of my recollection: you said that they paid that that day?

Mr. HALLEY. Yes.

Mr. O'ROURKE. You say he lost \$900. That would have been turned in as a winner for \$900, because you have to take it as a winner that day. But the man doesn't pay but he owes you \$900 and it is an account you carry from day to day. Now, at the end of his time there, or at the end of the season he may win or lose—win two or three times.

The difference between his winnings and losses, if he wants to settle his account—it would probably be either a check or cash to him, or check, whichever he wanted. But this winner is going down, and they balance—from day to day.

Mr. HALLEY. That is pretty complicated bookkeeping.

Mr. O'ROURKE. No, sir. It is a record between winnings and losses.

Mr. HALLEY. That is a lot of figures that you have to keep.

Mr. O'ROURKE. No.

Mr. HALLEY. You have his winnings and losses; is that right?

Mr. O'ROURKE. Say today he owes you \$900 and tomorrow he owes you \$400—that is \$1,300 he owes you.

Mr. HALLEY. And then if the customer wins the next day \$900 or \$1,000 he owes you only \$300.

Mr. O'ROURKE. We have to win some days. Then this brings it back to \$900, so you lose \$900, and if he wants cash I give him cash, or a check.

Mr. HALLEY. What happens if I give you a check?

Mr. O'ROURKE. Gives me a check?

Mr. HALLEY. If I gave a check to Mauro who was running the game on the premises, what would he do with the check?

Mr. O'ROURKE. Give it to me.

Mr. HALLEY. Invariably?

Mr. O'ROURKE. That is right.

Mr. HALLEY. And it would go into your account in the Atlantic National Bank?

Mr. O'ROURKE. That is right.

Mr. HALLEY. Suppose Mauro got cash instead of a check?

Mr. O'ROURKE. It would go in the bank roll.

Mr. HALLEY. Would he give you a statement of what was in the bank roll at the end of each day?

Mr. O'ROURKE. Not winners and losers. I would know exactly how much is there because the checks he gives me—if I can explain it. For example, say he gives me \$5,200 worth of checks. I deposit those. Then I have up here the winners and losers, say \$500. All right. That is the winners and losers. Maybe here he is giving me more checks over here, so I owe him money. At the end of the season there will be a balance here, which means I deposited more checks in my account than I had coming.

Mr. HALLEY. As your share of the cut?

Mr. O'ROURKE. If I remember right, I give him a check for the difference.

Mr. HALLEY. How much of a check did you give Mr. Erickson?

Mr. O'ROURKE. I don't remember. I think it was around \$3,000 or \$4,000.

Mr. HALLEY. Do your deposit slips show which deposits came from the crap game and which came from the book and which came from Boca Raton?

Mr. O'ROURKE. No, sir.

Mr. HALLEY. It is all together in one big unidentifiable group?

Mr. O'ROURKE. That is right. It is all run in together.

Mr. HALLEY. On the cash side of it, there is no record whatsoever to show where the cash came from?

Mr. O'ROURKE. On what?

Mr. HALLEY. Where you take your wins and losses and put them into your bank roll, there is no record to show that the cash came from any particular transaction or not, is there? It is simply a bank roll which is large or small.

Mr. O'ROURKE. No, sir. All that was deposited was checks.

Mr. HALLEY. And there is no way in the world that anybody could check up to find out whether the figure is right or wrong?

Mr. O'ROURKE. No; I don't know that he could or not. In the book we cash a lot of local checks—payroll checks and stuff like that as an accommodation, and especially on Saturdays maybe a fellow, after banking hours, has to leave town and has to have some money for a

ticket and stuff like that. As an accommodation we had a check-cashing proposition. Other times we have a lot more checks to cash and you have to refurnish the bank roll.

Mr. HALLEY. Do you have a safe-deposit box?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. In what bank?

Mr. O'ROURKE. In the Atlantic National Bank.

Mr. HALLEY. Any other box?

Mr. O'ROURKE. No, sir.

Mr. HALLEY. One box in the Atlantic National Bank?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. Do you own any real estate?

Mr. O'ROURKE. I own my house.

Mr. HALLEY. Where is the house?

Mr. O'ROURKE. 521 Twenty-eighth Street.

Mr. HALLEY. Do you own any other businesses?

Mr. O'ROURKE. No.

Mr. HALLEY. Or property?

Mr. O'ROURKE. No. I am buying a little piece of property on a contract—a mango grove, and I pay \$225 every quarter.

Mr. HALLEY. What is the total cost of the mango grove?

Mr. O'ROURKE. I think around \$4,000 or \$5,000.

Mr. HALLEY. In 1948, your own records show, you banked approximately \$500,000, and that your total income for the year was only something like \$1,700.

Mr. O'ROURKE. That is the year I took that beating.

Mr. HALLEY. Is that the year you took the beating from Mickey Cohen?

Mr. O'ROURKE. Yes, and I think I mortgaged my stocks and bonds and everything else.

Mr. HALLEY. Is that how you account for the sad situation in 1948?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. What was your net income in 1947?

Mr. O'ROURKE. I don't know. You must have it there.

Mr. HALLEY. Did you have any very unusual losses in 1947, or was that a normal year?

Mr. O'ROURKE. 1947?

Mr. HALLEY. Yes.

Mr. O'ROURKE. I don't know. I think I had some fairly good losses in there, too; whatever the checks would show there. On those bank deposits, we cashed a lot of checks, naturally, and people there would even send up payrolls to cash. We did a lot of cashing of checks, so that runs your deposits up quite a bit.

Mr. HALLEY. I don't understand. Do you mean that your bank deposits in the Atlantic National Bank reflect other than your income from your business?

Mr. O'ROURKE. Those deposits are not all income.

Mr. HALLEY. Then you must have lost. I think perhaps the Government owes you a lot of money, then, because by your bank deposits apparently considering them all as income, your accountant arrived at a gross income figure. Is it your position that this gross income figure is wrong?

Mr. O'ROURKE. No.

Mr. HALLEY. You say you have cashed a lot of checks. How many checks would you cash in a week, on the average?

Mr. O'ROURKE. I have no way of estimating.

Mr. HALLEY. A thousand?

Mr. O'ROURKE. Maybe more than that.

Mr. HALLEY. Two thousand?

Mr. O'ROURKE. Maybe more than that.

Mr. HALLEY. So that if your total deposits were \$552,000, would you say that it is conceivable that as much as \$100,000 might represent simply checks cashed as an accommodation?

Mr. O'ROURKE. I couldn't tell you the truth what it might be.

Mr. HALLEY. Make an estimate, please.

Mr. O'ROURKE. I don't know.

Mr. HALLEY. \$50,000?

Mr. O'ROURKE. I don't know exactly. If a man would come to me and say, "John, cash me a \$100 check. I have to catch a plane," or maybe he couldn't get to the bank, or maybe they would send a nigger up with a bunch of payroll checks because the banks are all closed. I would cash them for him. That is an accommodation.

The CHAIRMAN. The question is: Are those checks listed?

Mr. O'ROURKE. Yes, sir. They are all in there.

Mr. HALLEY. Would you say in a single year they would total at least \$10,000?

Mr. O'ROURKE. They would run much more than that.

Mr. HALLEY. At least \$50,000?

Mr. O'ROURKE. I imagine more than that.

Mr. HALLEY. \$100,000?

Mr. O'ROURKE. I can't estimate that.

Mr. HALLEY. They run at least \$50,000?

Mr. O'ROURKE. I imagine they would.

Mr. HALLEY. In any given year when you were operating; is that right?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. And \$50,000 would be a low figure rather than a high figure?

Mr. O'ROURKE. I don't know that. That is just——

The CHAIRMAN. Those are checks that had nothing to do with betting?

Mr. O'ROURKE. That is right. Of course it doesn't mean they were all accommodation propositions, Senator, but there were a lot of them that way. There were very few checks I would take on bets, unless it was from out of town and most all of them were personal checks; people I know around town there.

Mr. HALLEY. Would you have for your crap game and your——

Mr. O'ROURKE. I cashed for a lot of people checks—unemployment checks from the Government, that they didn't have bank accounts, and some of the banks would charge them 25 cents and things like that. If you know them, you cash it for them.

Mr. HALLEY. Did you charge for cashing checks?

Mr. O'ROURKE. No.

Mr. HALLEY. Even payroll checks?

Mr. O'ROURKE. No.

Mr. HALLEY. No charge ever?

Mr. O'ROURKE. No, sir.

Mr. HALLEY. You have a bank roll, do you not, when you operate your games?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Do you make it a practice of keeping a certain amount of money in the bank roll?

Mr. O'ROURKE. We try to keep it around \$5,000. It varies from \$2,500 up to \$7,500, and with the action back and forth, checks would go back and forth.

Mr. HALLEY. When the bankroll went down, you would draw checks from the bank?

Mr. O'ROURKE. That is right.

Mr. HALLEY. Cash a check and take the cash and use that for your bankroll?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. And what record did you keep of the use to which you put the cash withdrawn from the bank and put in the bankroll? Do you keep a book showing disbursements out of the bankroll?

Mr. O'ROURKE. No disbursements outside of the bets would be made by the bankroll.

Mr. HALLEY. You kept betting sheets?

Mr. O'ROURKE. No; just a ticket; just a pad like that—maybe 2 or 3 inches wide and maybe 4 inches long.

Mr. HALLEY. What did you do with those sheets after you paid the bettor or took his money?

Mr. O'ROURKE. We kept them in the cashier's, in a drawer with the winners and losers.

Mr. HALLEY. Where is the sheet now?

Mr. O'ROURKE. I don't know.

Mr. HALLEY. What happened to them?

Mr. O'ROURKE. Destroyed them.

Mr. HALLEY. Did you destroy them?

Mr. O'ROURKE. They were put out a long time ago. All I kept up there one time—I kept those sheets for 6 or 7 years and it was in the old post office. I had a truckload of them. I kept them up because they are not in any form. They are not tied together. They are plain pieces of paper with a rubber band around them, and when we changed location, nobody ever came in to look around or anything so I just told the boys to carry them out and throw them in the incinerator because there was a stack as high as from here to there.

Mr. HALLEY. You have none any more?

Mr. O'ROURKE. Not any more.

Mr. HALLEY. When you had your accountant work up your figures for each year, did you give him those sheets for the year?

Mr. O'ROURKE. No.

Mr. HALLEY. Why not?

Mr. O'ROURKE. He didn't ask for them.

Mr. HALLEY. Did you tell him there were such sheets?

Mr. O'ROURKE. I was always told to deposit all checks I received; don't cash any checks for cash; put them all in and if I needed to replenish the bankroll, take it.

Mr. HALLEY. You didn't deposit the cash you received?

Mr. O'ROURKE. The cash? I think those checks the cashier cashed.

Mr. HALLEY. When you would win a cash bet, that cash went into the cash bankroll?

Mr. O'ROURKE. That is right.

Mr. HALLEY. And it was not deposited in the bank?

Mr. O'ROURKE. No; these checks were all cashed.

Mr. HALLEY. You kept no cash book showing receipts of cash?

Mr. O'ROURKE. No.

Mr. HALLEY. I have no further questions.

The CHAIRMAN. I have one or two questions. Do you want to ask some now, Senator Hunt?

Senator HUNT. No, sir.

The CHAIRMAN. Mr. O'Rourke, this Mr. Schine that you talked to, is he the one that owns the McAllister Hotel here in Miami?

Mr. O'ROURKE. I don't know if he owns the McAllister. I understand he owns the Roney.

The CHAIRMAN. How long had you known Mr. Schine when he called you to come to see him?

Mr. O'ROURKE. I had never met him.

The CHAIRMAN. Did you ever meet Mickey Cohen?

Mr. O'ROURKE. Never seen him in my life.

The CHAIRMAN. What was your first transaction with Mickey Cohen?

Mr. O'ROURKE. How it came about?

The CHAIRMAN. Yes.

Mr. O'ROURKE. Just repeating, he called me one day on the phone and asked me if I wanted some business, and I told him I would never turn down any business.

The CHAIRMAN. Do you know how he got your name?

Mr. O'ROURKE. No; I can't tell you that.

The CHAIRMAN. Assuming that Mickey Cohen would call and want to place a bet, how long would that be before the race would take place?

Mr. O'ROURKE. Probably anywhere from 5 to 20 minutes.

The CHAIRMAN. That would be on some race at Hialeah or Tropical Park out here?

Mr. O'ROURKE. I don't know if he bet much on any Florida races. I think it was more the eastern tracks. I don't know because Florida was running most of the time.

The CHAIRMAN. Anyway, you would take a bet on any track he wanted to place it on?

Mr. O'ROURKE. Not on California.

The CHAIRMAN. Was the pay-off on the basis of the pari-mutuel pay?

Mr. O'ROURKE. Yes, sir.

The CHAIRMAN. That is the way you figured it?

Mr. O'ROURKE. Yes, sir.

The CHAIRMAN. You referred to the partnership that you had with Erickson at Boca Raton. When did you first start doing business with Mr. Erickson?

Mr. O'ROURKE. If I remember right, I did business with him 2 years. It must have been '47 and '48.

The CHAIRMAN. Did he have any interest in your dice game that you had in West Palm Beach?

Mr. O'ROURKE. No interest whatever in anything.

The CHAIRMAN. The only connection you had with Mr. Erickson, according to your testimony, was at Boca Raton?

Mr. O'Rourke. That is absolutely right.

The CHAIRMAN. When was the first you knew he had made out a partnership income tax return?

Mr. O'Rourke. It was some time during the summer, after he left here. He sent me a copy of the partnership return that had been turned in and I think, if I remember right—

The CHAIRMAN. Did you have that when Mr. Hart made out your personal income tax return?

Mr. O'Rourke. No, sir, it came later.

The CHAIRMAN. You turned that over to Mr. Hart, did you?

Mr. O'Rourke. Yes, sir.

The CHAIRMAN. Later on?

Mr. O'Rourke. Yes, sir.

The CHAIRMAN. Did you use a separate bankroll for the operations at Boca Raton and also for your crap game?

Mr. O'Rourke. You mean as cash?

The CHAIRMAN. Yes.

Mr. O'Rourke. Yes, sir, it was separate cash.

The CHAIRMAN. The two businesses were not interlocked insofar as the personnel of the operation were concerned, except yourself?

Mr. O'Rourke. No. We had different personnel down there.

The CHAIRMAN. You took checks or profits from both operations and put them in the same bank account?

Mr. O'Rourke. Yes, sir.

The CHAIRMAN. Mr. O'Rourke, how do you pay off for protection for your operations?

Mr. O'Rourke. I don't know there was any protection.

The CHAIRMAN. You can't operate a place like that in violation of the law unless somebody knows about it. Who did you pay off?

Mr. O'Rourke. I didn't pay anybody off.

The CHAIRMAN. Mr. O'Rourke—

Mr. O'Rourke. I have friends in politics. I have been in Florida ever since 1919.

The CHAIRMAN. My question was: Who did you pay off for your protection in Palm Beach?

Mr. O'Rourke. As far as protection, I may give a little for campaigns and stuff like that, but that is all.

The CHAIRMAN. How much for campaigns, say, in 1948?

Mr. O'Rourke. 1948? I don't think it would run much in an election. I don't remember of any election in 1948.

The CHAIRMAN. The sheriff's election?

Mr. O'Rourke. No, it doesn't make any difference, sheriff or anybody come along—maybe \$100 or \$150 or something like that. It is a donation.

The CHAIRMAN. In cash?

Mr. O'Rourke. Sometimes it takes care of a little advertising in maybe the newspapers or something like that.

The CHAIRMAN. Cash?

Mr. O'Rourke. Not to them, workers and things like that.

The CHAIRMAN. Was it cash that you paid out?

Mr. O'Rourke. Oh, yes; a little out of my pocket.

The CHAIRMAN. Out of the bank roll?

Mr. O'Rourke. No, sir; mostly out of my pocket.

The CHAIRMAN. You didn't give any checks?

Mr. O'ROURKE. No, sir.

The CHAIRMAN. How much would your contributions for advertising or what not be in the year, say, 1948?

Mr. O'ROURKE. I don't think, Senator, honestly that it would run very much; maybe \$1,500 or \$2,000 for different things.

A lot of times they come around and tell you they have a little program and things like that and you do favors for them like that.

The CHAIRMAN. Mr. O'Rourke, my question to you was: Who did you make these payments to?

Mr. O'ROURKE. Senator——

The CHAIRMAN. Did you make a payment to the sheriff or to somebody on behalf of the sheriff?

Mr. O'ROURKE. No, sir; never had an agent, never paid an agent.

The CHAIRMAN. How about the sheriff?

Mr. O'ROURKE. I didn't pay no sheriff.

The CHAIRMAN. You didn't pay, but just a little contribution—a small amount?

Mr. O'ROURKE. At election time I would help out in my way, get out and work and do things like that.

The CHAIRMAN. Now about the money?

Mr. O'ROURKE. Very little donations on that end of it. I may have given a little money.

The CHAIRMAN. To the sheriff's committee?

Mr. O'ROURKE. No, the Democratic committee, the executive committee organization—things like that, or campaigns like that.

The CHAIRMAN. Did you make any record of what you gave?

Mr. O'ROURKE. No; I did not on personal donations.

The CHAIRMAN. Your dice game was wide open for anybody to come in to, wasn't it?

Mr. O'ROURKE. Yes, sir.

The CHAIRMAN. How long did you operate that?

Mr. O'ROURKE. I don't know, maybe 3 or 4 years.

The CHAIRMAN. Did you ever get raided until you were closed up finally?

Mr. O'ROURKE. No, sir.

The CHAIRMAN. For being in violation of the law?

Mr. O'ROURKE. No, sir.

The CHAIRMAN. Who did you talk to about not closing you up?

Mr. O'ROURKE. I didn't talk to anyone in particular.

The CHAIRMAN. I know, but who in general? Who did you talk with in general or in particular about giving you protection so you wouldn't be closed up?

Mr. O'ROURKE. I don't think, Senator, that that atmosphere was to anyone's discredit. It was more or less of a liberal community.

The CHAIRMAN. Mr. O'Rourke, you don't just operate a dice game wide open in a town in violation of the law for 3 or 4 years unless you have some understanding about it. Who was it that you talked with in general or in particular?

Mr. O'ROURKE. I don't remember talking to anybody in general or particular about it.

The CHAIRMAN. Did you talk to anybody about it?

Mr. O'ROURKE. There was a boy when I went into the dice game. He run a dice game and I went in bank roll with him.

The CHAIRMAN. What has that to do with whom you talked? About using the bank roll with somebody else?

Mr. O'ROURKE. I don't know.

The CHAIRMAN. Mr. O'Rourke, I am afraid you are not answering the committee very fairly. It is our job to find out just how operations like yours operate without being closed up and what influence with the local enforcement officers there is. How did you get by all of this time without being closed up?

Mr. O'ROURKE. I think more or less the reason I got by was being local, being around the town for years, and in business there for many years.

The CHAIRMAN. Who was your sheriff in 1948?

Mr. O'ROURKE. The same one as now.

The CHAIRMAN. What is his name?

Mr. O'ROURKE. Kirk.

The CHAIRMAN. K-i-r-k?

Mr. O'ROURKE. Yes, sir.

The CHAIRMAN. Do you know him?

Mr. O'ROURKE. Yes, sir.

The CHAIRMAN. Did you contribute to his campaign?

Mr. O'ROURKE. I went out and worked for him as much as I could.

The CHAIRMAN. Did you contribute to his campaign?

Mr. O'ROURKE. A little on the side; not directly to him.

The CHAIRMAN. How did you contribute?

Mr. O'ROURKE. I don't think I put in \$500 in it.

The CHAIRMAN. Do you think you put in \$500?

Mr. O'ROURKE. I might have around a few different spots.

The CHAIRMAN. To whom did you give it?

Mr. O'ROURKE. Hired a workers' group and give them maybe \$10 to talk or maybe place cards.

The CHAIRMAN. Who did you give the big sums to?

Mr. O'ROURKE. Not in his election I didn't give no big sums.

The CHAIRMAN. Did you have a talk with the sheriff before the campaign about the fact that you were going to help him?

Mr. O'ROURKE. No, sir; I did not. In fact, the sheriff was an old ex-ballplayer and I played ball with him for years, and the first time he ran, I was against him and this time I was for him.

The CHAIRMAN. You don't think all this work and this \$500 that you put in the sheriff's campaign had anything to do with your staying in business?

Mr. O'ROURKE. No; I don't. I think if he had a complaint or warrant or anything else he would have taken legal action.

The CHAIRMAN. Who was the mayor of West Palm Beach in 1948?

Mr. O'ROURKE. I don't know who it was in 1948.

The CHAIRMAN. Who is the mayor now?

Mr. O'ROURKE. Mr. Keating. I don't even know him.

The CHAIRMAN. When did he come in?

Mr. O'ROURKE. He came in about 2 weeks ago.

The CHAIRMAN. Who was the mayor just before he came in office?

Mr. O'ROURKE. The mayor was a man by the name of Holland. I don't even know him. I met him one time.

The CHAIRMAN. Who is the head of the police department in West Palm Beach?

Mr. O'ROURKE. Matthews.

The CHAIRMAN. How long has he been there?

Mr. O'ROURKE. I think he has been in a little over 2 years, if I remember right.

The CHAIRMAN. Do you know him?

Mr. O'ROURKE. Not very intimately. I know his family and I knew his old dad very well, but this young boy—I don't know him.

The CHAIRMAN. How was he selected?

Mr. O'ROURKE. He is elected by the people.

The CHAIRMAN. Did you help him in his campaign?

Mr. O'ROURKE. No.

The CHAIRMAN. You didn't have any workers out for him?

Mr. O'ROURKE. No, sir. In fact, I was then for the man he beat.

Senator HUNT. Mr. Hart made your personal income-tax return and then later you received the partnership return from Mr. Erickson and you handed that to Mr. Hart. Did you make a supplementary personal tax return showing some \$34,000 of your profits from your partnership?

Mr. O'ROURKE. No, sir; I didn't.

Senator HUNT. You didn't do that?

Mr. O'ROURKE. No, sir. It was included in the whole blanket thing. I don't know why Mr. Hart didn't. I turned it over to him. It was a complicated affair.

Senator HUNT. Has anything been said about not doing it?

Mr. O'ROURKE. They have not.

Senator HUNT. They probably will, don't you suppose?

Mr. O'ROURKE. Yes, sir; I believe they will.

Senator HUNT. Why don't you beat them to it and attend to it and save yourself a penalty?

Mr. O'ROURKE. I have intended to do that, and I expect I will do it. After he filed that, if I recollect, I think Mr. Hart said, "Maybe we'll be penalized by it." He filed the report and sent it in later after we filed our report.

Senator HUNT. Didn't you know that you had those earnings?

Mr. O'ROURKE. It was in my original report.

Senator HUNT. In your personal return?

Mr. O'ROURKE. Yes, sir; in the blanket report.

Mr. HALLEY. You have just contradicted yourself. First you said it was not included and then you said it was included.

Mr. O'ROURKE. I don't mean it was not included. What I say is—I put mine all together in one report. I didn't itemize it separately as a partnership.

Mr. HALLEY. As I remember, your return is not in accordance with the facts.

The CHAIRMAN. I want to ask this question, Mr. O'Rourke: Were you asked with whom you laid off bets?

Mr. O'ROURKE. Yes; I believe I was.

The CHAIRMAN. How do you know the people who you can lay off bets with?

Mr. O'ROURKE. I don't think—I haven't laid many bets off.

The CHAIRMAN. When you want to lay bets off, how do you know who to get in touch with?

Mr. O'ROURKE. For the last several years, I knew them by acquaintance.

The CHAIRMAN. Where would you meet them?

Mr. O'ROURKE. Men who have been in the bookmaking business for years.

The CHAIRMAN. You laid off bets with Erickson?

Mr. O'ROURKE. No, sir; not a bet. The only transaction with Mr. Erickson was on the deal I have mentioned.

The CHAIRMAN. Who did you lay off with in New York or Chicago?

Mr. O'ROURKE. Not in New York or Chicago.

The CHAIRMAN. You got this man down here in Miami that you can lay bets off with?

Mr. O'ROURKE. I did for a while lay off a few bets to Dick Evans.

The CHAIRMAN. You must have some understanding between you fellows about who will take a lay-off bet. How do you get that information?

Mr. O'ROURKE. You get to know the fellows that are in town here. I have never laid any bets out of the State. In fact, there are three or four bookmakers around there in West Palm Beach and we do business with one another and naturally we did a little business with some of the Miami boys locally around here that are close by, and that comes from association.

Take football. If I need a couple of Orange Bowl tickets, I call one of them and get some tickets for a friend and things like that, but I never laid off many bets. I think Dick Evans is the man I laid bets off with. It is too hard to do that.

The CHAIRMAN. You read in the papers where Mr. Erickson's books were secured in New York?

Mr. O'ROURKE. Yes, sir.

The CHAIRMAN. Have you talked with him since that time?

Mr. O'ROURKE. Only to say "Hello."

The CHAIRMAN. Where was he when you said "Hello"?

Mr. O'ROURKE. I only ran into him by accident, not by engagement, prearranged or anything. I went to New York before I ever knew his name was in the papers. I went up there to see a friend of mine and ran into him in the barber shop.

The CHAIRMAN. Just accidentally?

Mr. O'ROURKE. Yes. No prearranged meeting at all. That was after he testified at Washington.

The CHAIRMAN. Did you see him after you ran into him at the barber shop?

Mr. O'ROURKE. Only a few minutes, after he got through shaving and a haircut.

The CHAIRMAN. Did you transact any business?

Mr. O'ROURKE. Not a single thing. The only thing I remember referring to business was—I just asked him how he was feeling and he said it was getting tough.

The CHAIRMAN. Did you see Frank Costello?

Mr. O'ROURKE. I don't know Frank Costello, only by his pictures in the paper. I never met him in my life.

The CHAIRMAN. Did you see Joe Adonis when you were up there?

Mr. O'ROURKE. I didn't talk to Joe Adonis. I saw him in Dinty Moore's Restaurant. I had no business with him. I know him by sight.

Mr. HALLEY. When did you go to New York?

Mr. O'ROURKE. Wednesday two weeks ago or Tuesday a week ago.

Mr. HALLEY. When did you return to West Palm Beach?

Mr. O'ROURKE. I think I got in here Saturday.

Mr. HALLEY. Just a week ago today?

Mr. O'ROURKE. I think that was it. I am pretty sure it was a week ago today.

Mr. HALLEY. How long were you in New York?

Mr. O'ROURKE. I stayed in New York one day and one night, and I left the next day.

Mr. HALLEY. Did you go any place before New York?

Mr. O'ROURKE. That is right.

Mr. HALLEY. You stayed a day and a night and you returned here?

Mr. O'ROURKE. That is right.

Mr. HALLEY. What hotel did you stay in?

Mr. O'ROURKE. Waldorf.

Mr. HALLEY. In what barber shop did you meet Mr. Erickson?

Mr. O'ROURKE. In the Waldorf.

Mr. HALLEY. What day was that?

Mr. O'ROURKE. That was the morning after I got in. I think it was on a Wednesday.

Mr. HALLEY. You just happened to bump into Erickson in the Waldorf Barber Shop?

Mr. O'ROURKE. That is right.

Mr. HALLEY. Did you see him or did he see you?

Mr. O'ROURKE. I didn't know he was in there. He was in the barber chair.

Mr. HALLEY. Did he recognize you and call you over?

Mr. O'ROURKE. No, sir.

Mr. HALLEY. Did you see him in the barber shop?

Mr. O'ROURKE. Yes.

Mr. HALLEY. And you walked over to him?

Mr. O'ROURKE. That is right.

Mr. HALLEY. That is all.

The CHAIRMAN. Did you ever talk with him on the telephone since then?

Mr. O'ROURKE. No, sir; not since then.

The CHAIRMAN. Is there anything else, Mr. Halley?

Mr. HALLEY. That is all. Thank you.

The CHAIRMAN. Thank you, Mr. O'Rourke.

The committee will recess until 2 o'clock.

(Whereupon, at 12:45 p. m. a recess was taken to reconvene at 2 p. m.)

AFTERNOON SESSION

The CHAIRMAN. The hearing will be resumed.

FURTHER TESTIMONY OF ABE ALLENBERG, MIAMI BEACH, FLA.

The CHAIRMAN. Mr. Allenberg, you were sworn yesterday, were you not?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Have you responded to the subpoena duces tecum that was served upon you?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And you have furnished certain records to this committee?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Do you want to identify the records that you have produced?

What are these documents I have here?

Mr. ALLENBERG. Those are income-tax returns.

Mr. HALLEY. For what years?

Mr. ALLENBERG. For many years back.

Mr. HALLEY. They run up to 1949?

Mr. ALLENBERG. I think 1946, 1947, 1948, and 1949 are in the hands of Mannie Kramer, who is an accountant.

Mr. HALLEY. In the hands of Mannie Kramer, who is an accountant?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And these are the ones for prior years; is that right?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. I offer in evidence these documents as exhibit No. 40 the income tax file from 1942 to 1944 for Abe Allenberg, which file also contains letters from Andy Pellino on the stationery of Henry Pellino, a certified public accountant of New York City, discussing Allenberg's taxes in connection with those of Frank Erickson.

The CHAIRMAN. It will be received and made a part of the record.

(Exhibit No. 40, income tax returns and papers relating thereto are on file with committee; letters from Pellino appear in the appendix on p. 731.)

Mr. HALLEY. And you have an envelope of miscellaneous papers referring to the Wofford Hotel?

Mr. ALLENBERG. Yes, sir; miscellaneous papers referring to the Wofford Hotel.

Mr. HALLEY. I offer in evidence a folder of miscellaneous papers referring to the Wofford Hotel as exhibit No. 41.

The CHAIRMAN. It will be received and made a part of the record.

(Folder of miscellaneous papers re Wofford Hotel received in evidence as exhibit No. 41 on file with committee.)

Mr. HALLEY. Here is another batch of miscellaneous papers concerning Tropical Park and Gables Racing Association.

The CHAIRMAN. Let these miscellaneous papers in the brown envelope be filed and made a part of the record as exhibit No. 42.

(Miscellaneous papers re Tropical Park and Gables Racing Association received in evidence as exhibit No. 42 on file with committee.)

Mr. HALLEY. When did you first come to Miami?

Mr. ALLENBERG. 1935.

Mr. HALLEY. Will you state the circumstances?

Mr. ALLENBERG. I came down here representing Frank Erickson in the purchase of an interest in the Gables Racing Association. He bought a 20 percent interest in the Gables Racing Association. The interest was taken in my name as trustee, and that continued on until 1941.

Mr. HALLEY. In other words, you came down as Frank Erickson's agent in the Gables Racing Association?

Mr. ALLENBERG. As his attorney.

Mr. HALLEY. How much money did he invest in the Gables Racing Association?

Mr. ALLENBERG. Upward of \$250,000.

Mr. HALLEY. Did you serve as president of the Tropical Park Race Track?

Mr. ALLENBERG. No. I served as comptroller of the race track.

Mr. HALLEY. How much money was invested in all by the various people in this Tropical Park Race Track?

Mr. ALLENBERG. The race track had already been in existence for a few years and was on the verge of bankruptcy when this money was put in. This money was put in to keep the race track solvent. Up to that time I don't know how much had been invested.

Mr. HALLEY. At the time that Erickson put his money in, then, he was the only man to supply new capital: is that right?

Mr. ALLENBERG. That is right.

Mr. HALLEY. And he took over control of Tropical Park Track?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. With you as his representative?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Were you on a salary basis?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Did you have any interest in the business as an owner?

Mr. ALLENBERG. No, sir. He took all of the profits, whatever they were.

Mr. HALLEY. Did you get a commission of any kind?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. A straight salary?

Mr. ALLENBERG. Straight salary.

Mr. HALLEY. How much?

Mr. ALLENBERG. Started at \$10,000 and I think it went to \$15,000 a year.

Mr. HALLEY. Did you have any other business interests in Miami or Miami Beach after 1935 while you were connected with Tropical Park Track?

Mr. ALLENBERG. Not while I was with Tropical Park Race Track.

Mr. HALLEY. Did you have any other income except your salary from Frank Erickson?

Mr. ALLENBERG. No. I didn't get a salary from Frank Erickson. It came from the Gables Racing Association.

Mr. HALLEY. Which operated the track?

Mr. ALLENBERG. Which operated the track.

Mr. HALLEY. And you devoted all your time to the track?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. In 1941, what happened?

Mr. ALLENBERG. The stock of the Gables Racing Association was sold and Erickson was then out of Tropical Park Race Track. The stock was sold in the Gables Racing Association at that time and he received the proceeds of the sale.

Mr. HALLEY. What did you do after that?

Mr. ALLENBERG. After that I made arrangements with Tom Cassara to take over the operation of the Wofford Hotel.

Mr. HALLEY. Would you state the circumstances under which that arrangement was made? How did you first meet Cassara and so forth?

Mr. ALLENBERG. I had known Cassara down here and he heard that I was looking around to get into the hotel business since I was out of Tropical Park Race Track, and he suggested that I take over from him the lease of the Wofford Hotel. I couldn't take the lease over be-

cause Mrs. Wofford wouldn't sign it, so we took it over under a management contract, and I had a half interest in it and in order to clean up the debts of the Wofford Hotel, it required a little over \$20,000. I put \$10,000 in and I borrowed the balance from Frank Erickson, and I regarded it as a loan when I took it, but he might have regarded it as a partnership arrangement with me.

At any rate we continued on for 2 years and he got his money back plus an overage, and one day I talked with him and he said he didn't want to have anything to do with the Wofford Hotel. He said, "You can have it on your own."

Sothen I continued on for the next couple of years. The Wofford Hotel was my own proposition.

Mr. HALLEY. How much money did he give you to invest in the Wofford originally?

Mr. ALLENBERG. \$11,500. He loaned me some after that to keep it going with.

Mr. HALLEY. How much in all did he lend you?

Mr. ALLENBERG. He might have loaned me another \$10,000 after I was in operation.

Mr. HALLEY. So your best estimate is that he gave you a total of over \$20,000?

Mr. ALLENBERG. That is right, and that was paid back to him.

Mr. HALLEY. At what time did you first go into the management of the Wofford?

Mr. ALLENBERG. That was in November of 1941?

Mr. HALLEY. And when did you leave the Wofford?

Mr. ALLENBERG. In 1945. I came back there for the winter of 1945-46 and stayed there until it was either March or April of that year.

Mr. HALLEY. During that time, was Erickson interested in the Wofford?

Mr. ALLENBERG. For the first 2 years.

Mr. HALLEY. And after that, Erickson no longer had an interest in it?

Mr. ALLENBERG. No.

Mr. HALLEY. Did he receive any part of the profits after—in the first 2 years?

Mr. ALLENBERG. I don't know whether he received it as profits or part of his money back.

Mr. HALLEY. Who kept the accounts for the Wofford?

Mr. ALLENBERG. The accounts were kept by the accountants.

Mr. HALLEY. Isn't it a fact that you reported the income to Erickson and that he was given what was known as his share of the profits?

Mr. ALLENBERG. It might have been reported that way.

Mr. HALLEY. Continuing with the Wofford Hotel, what other people were in the management besides yourself and Cassara?

Mr. ALLENBERG. After I got in there, I found out that John King had an interest in it, and a man called Augie Carfano had an interest in it.

Mr. HALLEY. Now, Augie Carfano was called Little Augie, was he not?

Mr. ALLENBERG. Yes.

Mr. HALLEY. And John King is a well-known racketeer from Cleveland, isn't he?

Mr. ALLENBERG. I have since learned that.

Mr. HALLEY. You didn't know it at that time?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. Isn't it something of a remarkable coincidence that at that one hotel at the same time there should go into the management you who had been Erickson's representative with Erickson's money, Little Augie, and John King—all at the same time?

Mr. ALLENBERG. Yes.

Mr. HALLEY. At the time, Erickson did not want to go into the Wofford Hotel deal?

Mr. ALLENBERG. That was the only deal that I could find for myself to go into business on the beach because it took the least amount of money and I asked Erickson if he would loan me that money to take an interest, or take his money in whatever way I would be able to give it to him, so that I could have something to be doing down here at the beach. There were no other hotels to get. There were others, but it took a lot of money to get a hotel. I could have bought the other half of the interests that were in there for another \$20,000 if I had had it. I didn't go in there to go in with Carfano, King, or Erickson. I originally tried to go in with two other gentleman here in town, but Mrs. Wofford would not consent to an assignment of the lease. I went to her and she said they—she wouldn't consent to an assignment; I had to go in on my own.

Mr. HALLEY. Once you got into the Wofford Hotel, a number of Erickson's people moved in; isn't that right?

Mr. ALLENBERG. Right.

Mr. HALLEY. Who were they?

Mr. ALLENBERG. They were living there from time to time—Briggs.

Mr. HALLEY. Who is Briggs, and will you tell us what his business was?

Mr. ALLENBERG. Briggs was associated with Erickson.

Mr. HALLEY. What did Briggs do?

Mr. ALLENBERG. He would represent Erickson in some of these gambling ventures they had; whether it was the race track or the Hollywood Beach Hotel or some of the gambling clubs—whatever they might be, he would be with him.

Mr. HALLEY. What were some of these gambling ventures that you speak of? Let's start with the race track. Describe the gambling ventures at the race track.

Mr. ALLENBERG. Gambling ventures at the race track would be where there are men to go to the race track or make bets on horses and they don't bet money into the mutuel machines, but they bet it with what are known in race tracks as bookmakers. That is what the function of those men would be.

Mr. HALLEY. Let me see. Erickson has operated books within the grounds of the various race tracks around Miami?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And he operated them through these people he had stationed there in Miami?

Mr. ALLENBERG. That is right.

Mr. HALLEY. Who are some of the people who operated inside of the track for Erickson?

Mr. ALLENBERG. Briggs, Cantor, Zeldow. Those men would also do this at the track: They handled what is known as come-back money.

That is money that is bet, that is called in to a telephone somehow in the neighborhood and they would come into the race track and would bet it on the horses.

Mr. HALLEY. There was a central clearinghouse for that type of bet in Miami, wasn't there, such as a bar or a room above a bar?

Mr. ALLENBERG. That would bet right out at the race track.

Mr. HALLEY. The bets came in by phone from somewhere?

Mr. ALLENBERG. Yes. They would go to the race track or some place in the vicinity of the race track. There might have been another one in town, but I don't know whether Erickson would have anything to do with that. That might be of a local nature.

Mr. HALLEY. The phone call would be at the race track in a phone booth?

Mr. ALLENBERG. Not at, but right adjacent to the race track so you can get inside.

Mr. HALLEY. Somebody to bring in the money?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And Erickson would have a man to receive the phone calls?

Mr. ALLENBERG. Yes; it would be one of those men.

Mr. HALLEY. Who besides Briggs and Cassara did that work at the race track?

Mr. ALLENBERG. Zeldow, Strader. Another fellow used to be around there with them. At any rate, I think the man died.

The CHAIRMAN. How would it be if we got continuity of what Mr. Allenberg is telling us and then go back into anything that we need to fill in?

Mr. HALLEY. Fine. Go right ahead.

Mr. ALLENBERG. Having been at the race track for many years, I knew many of the intricacies of the workings and what they do out at the race track. Then after they would be out there, they would meet certain people and bet on horses, and they would bet with them—maybe it might be John Jones or Tom Smith who would make his bets with him, and those would be the men who were taking the bets. They were Erickson's representatives. As to paying off, they had an agreement, whether the next day or the same day or the week afterward, it all depended who the people were. Many of those men lived at the hotel where I was associated with it, and they wanted to give me the hotel business rather than give their business to somebody else.

Anyhow, I had the business, and I would accommodate them practically every day by cashing checks for them.

The CHAIRMAN. Go ahead.

Mr. ALLENBERG. Also at the race track were these men who would sometimes, I imagine, play part of their bets back into the machine again in order to give the race track additional business.

Senator, that I think was the picture of what a man could do on the race track pretty fully. He takes bets from somebody.

The CHAIRMAN. Mr. Allenberg, we want the picture about how this mob operates, and we are going to get it either the easy way or the hard way because you know.

Mr. ALLENBERG. I am telling you the easy way. That is the picture at the race track. They take their bets, and they pay off either that

day or the next day or whatever the method would be that they would have arranged for with the man they did the betting with.

The CHAIRMAN. What else happened?

Mr. ALLENBERG. And they would win or lose on those things.

The CHAIRMAN. Then you left the Wofford?

Mr. ALLENBERG. I left the Wofford Hotel, yes, sir, in 1945.

The CHAIRMAN. Where did you go to then?

Mr. ALLENBERG. To the Boulevard Hotel with two partners. One was Herman Levitt and the other was Charlie Collins, both hotel men for many years on the beach; well-known hotel men.

The CHAIRMAN. And the mob went with you?

Mr. ALLENBERG. Some of Erickson's men came over to the Boulevard Hotel. There was nobody followed anybody there, Senator. There were many race-track clerks in the area of Miami during the time of the races. The racing season was on.

The CHAIRMAN. Here first is a photostat of what appears to be a paper dated September 21, 1945, relative to a partnership on the Wofford Hotel. Do you recognize those signatures?

Mr. ALLENBERG. I recognize the names, sir—Carfano and Lorentzen. Lorentzen was a relative of John King's; I remember that.

The CHAIRMAN. Let that be filed as exhibit No. 43.

(Photostat of paper referring to partnership in Wofford Hotel, dated September 21, 1945, received in evidence as exhibit No. 43. Loaned to committee by Mr. Daniel P. Sullivan, Greater Miami Crime Commission, and subsequently returned to him.)

The CHAIRMAN. Here's a photostat dated December 28, 1945, advising about the formation of a partnership between Abe Allenberg and Anthony Carfano and Otto Lorentzen. Do you recognize those signatures?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. As yours?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Those are the men you were in partnership with?

Mr. ALLENBERG. It says I assigned my interest in the partnership over to those men. It says that I disposed of my interest.

The CHAIRMAN. Up here are the names of the partners and then you assigned it to some other people?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. That is exhibit No. 44.

(Document dated December 28, 1945, re formation of partnership of Abe Allenberg, Anthony Carfano, and Otto Lorentzen received as exhibit No. 44. Loaned by, and later returned to Mr. Daniel Sullivan.)

The CHAIRMAN. Here is a photostat of a document dated April 20, 1945, saying that Anthony Carfano is a partner and that he has authority to sign checks; is that correct?

Mr. ALLENBERG. Yes, sir. I was out of there along there.

The CHAIRMAN. That will be exhibit No. 45 and made a part of the record.

(Document dated April 20, 1946, authorizing Carfano to sign checks received in evidence as exhibit No. 45. Loaned by, and later returned to Mr. Daniel Sullivan.)

The CHAIRMAN. Do you recognize the signature on this paper of May 23, 1946, which is an assignment?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. That will be exhibit No. 46.

(Assignment dated May 23, 1946, received in evidence as exhibit No. 46. Loaned by, and later returned to Mr. Daniel Sullivan.)

The CHAIRMAN. Here is a group of checks signed by Abe Allenberg, trustee, Wofford Hotel, for different amounts, either signed by you or Joseph Cardone or Fred J. King. Do you identify the signatures on those checks?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. They will be received and made a part of the record.

(Group of checks signed by Abe Allenberg, trustee, Wofford Hotel, received in evidence, exhibit No. 47. Loaned by, and later returned to Mr. Daniel Sullivan.)

The CHAIRMAN. Do you recognize this picture, Mr. Allenberg?

Mr. ALLENBERG. That is Carfano.

The CHAIRMAN. He is the man with whom you were in partnership?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Anthony Carfano, alias Little Augie, received in evidence as exhibit No. 48.)¹

The CHAIRMAN. Little Augie was your partner?

Mr. ALLENBERG. Yes; I am sorry to say.

The CHAIRMAN. Do you recognize this picture?

Mr. ALLENBERG. That is Frank Erickson.

The CHAIRMAN. That is Frank Erickson?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. He was your sponsor in this?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Frank Erickson received in evidence as exhibit No. 49.)

The CHAIRMAN. Did he stay at the Wofford Hotel?

Mr. ALLENBERG. Sometimes.

The CHAIRMAN. And Little Augie was there, of course?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Do you recognize this picture?

Mr. ALLENBERG. That is Joe Adonis.

The CHAIRMAN. Did he stay at your hotel?

Mr. ALLENBERG. I think he did at times.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Joe Adonis was received in evidence as exhibit No. 50.)

The CHAIRMAN. Let's go back just a minute. The first was Little Augie?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. What was his legitimate interest in Miami? What business did he have here?

Mr. ALLENBERG. He had an interest in the Raleigh Hotel, I am told, and he had an interest in the Wofford Hotel.

¹ Exhibit Nos. 48 through 99, which are photographs, are on file with the committee.

The CHAIRMAN. What else?

Mr. ALLENBERG. He was supposed to be representing Jimmy Kelly, his father-in-law. That is how I understood it. Jimmy Kelly was a racketeer and night club man in New York and a Democratic leader.

The CHAIRMAN. What other interests did he have in Miami?

Mr. ALLENBERG. Outside of those two, I don't know.

The CHAIRMAN. What illegitimate interests did he have?

Mr. ALLENBERG. Gambling by playing horses and going to the night places and gambling. I don't know what his interest was in any place.

The CHAIRMAN. And the exhibit before was that of Frank Erickson?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. What were Frank Erickson's interests in Miami?

Mr. ALLENBERG. Frank Erickson's interest in Miami was Tropical Park, and the interest he had with me in the Wofford Hotel.

The CHAIRMAN. What else?

Mr. ALLENBERG. He had an interest in the Colonial Inn, and he had an interest years ago in the Boheme Club.

The CHAIRMAN. What is his interest here now?

Mr. ALLENBERG. Nothing as far as I know, Senator.

Mr. HALLEY. You haven't told Senator Kefauver all of the interests that Frank Erickson has had in and around Miami. How about the three big hotels, the Hollywood Beach, Boca Raton, and the Roney?

Mr. ALLENBERG. He has had a concession at the Roney Plaza Hotel, an interest in the concession at the Hollywood Beach Hotel, and the concession at the Boca Raton Club.

Mr. HALLEY. What kind of concession?

Mr. ALLENBERG. Bookmaking concession.

Mr. HALLEY. He operated a private book?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. How much did he pay for the concession at the Roney Plaza?

Mr. ALLENBERG. All I know, Senator, is what I get from hearsay. I never heard it.

The CHAIRMAN. Now, Mr. Allenberg—

Mr. ALLENBERG. I didn't know just until the thing was closed that he was in it. I heard he paid \$55,000.

The CHAIRMAN. You didn't know anything about the negotiations?

Mr. ALLENBERG. No, sir; not in the least.

The CHAIRMAN. What did it come to at the Boca Raton Club?

Mr. ALLENBERG. That I don't know.

The CHAIRMAN. Did you negotiate any of these?

Mr. ALLENBERG. No, sir; because I was not in favor of them.

The CHAIRMAN. You didn't approve of them?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Who is this a picture of?

Mr. ALLENBERG. That is Meyer Lansky.

Mr. HALLEY. That will be exhibit No. 51.

(Photograph of Meyer Lansky received in evidence as exhibit No. 51.)

The CHAIRMAN. Did he stay at the Wofford Hotel?

Mr. ALLENBERG. He did occasionally; yes, sir.

The CHAIRMAN. He is a well-known criminal?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Who is this a picture of?

Mr. ALLENBERG. This one I don't know, Senator.

The CHAIRMAN. Look on the back and see if you can recognize his name?

Mr. ALLENBERG. I recognize the name "Jimmy Blue Eyes," it says on here.

The CHAIRMAN. Do you know him?

Mr. ALLENBERG. He stopped at the Wofford Hotel.

The CHAIRMAN. Then he was a customer of yours?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. And he is a well-known criminal?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Didn't he also have an interest in the Colonial Inn with Erickson?

Mr. ALLENBERG. From what I have read in the newspapers.

Mr. HALLEY. And from what you know, too. Let's keep away from what you read in the newspapers.

Mr. ALLENBERG. Don't push me any further than I have to be pushed. I don't know. I never spoke to the man about his interests in the Colonial Inn. I never spoke to the man about any of his interests. If he stopped at the Wofford Hotel, it was because he came in and rented a room there.

Mr. HALLEY. Did you ever speak to Erickson about his interests in the Colonial Inn?

Mr. ALLENBERG. No, sir; I did not.

The CHAIRMAN. The one before is Lansky. What was his interest in Miami?

Mr. ALLENBERG. I was led to believe it was in the Colonial Inn or in gambling places that would be up in Broward County. I never spoke to him about it.

The CHAIRMAN. You don't know of any other interests?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Let this be received and made a part of the record. (Photograph of Vincent Alo, alias Jimmy Blue Eyes received in evidence as exhibit No. 52.)

The CHAIRMAN. Do you recognize the name of this party?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. What is his name?

Mr. ALLENBERG. I can't think of it. I recognize his face.

The CHAIRMAN. Look on the back.

Mr. ALLENBERG. Michael Coppola.

The CHAIRMAN. Do you remember him now?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. What is his alias?

Mr. ALLENBERG. I didn't know he had an alias, only what I see here—Trigger Mike.

The CHAIRMAN. Did you know him as Trigger Mike?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Did he stay at the Wofford Hotel?

Mr. ALLENBERG. Yes, sir; I am pretty sure.

The CHAIRMAN. What was his interest in Miami?

Mr. ALLENBERG. I wouldn't know except that he was interested in gambling houses.

The CHAIRMAN. Do you know of any property he owns?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. This picture will be received and made a part of the record.

(Photograph of Michael Coppola, alias Trigger Mike, received in evidence as exhibit No. 53.)

The CHAIRMAN. Do you recognize the picture of this man?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Look at the back and see if you know his name.

Mr. ALLENBERG. No, sir.

The CHAIRMAN. You don't know him?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Julius Kramer: does that strike a familiar ring?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Julius Kramer received in evidence as exhibit No. 54.)

The CHAIRMAN. Do you recognize the picture of this person?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. What is the name on the back of that picture?

Mr. ALLENBERG. Bennie Kay.

The CHAIRMAN. Do you know Bennie Kay?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Is that him?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Then you do recognize his picture?

Mr. ALLENBERG. I do know after I looked at it.

The CHAIRMAN. Was he a customer of the Wofford Hotel?

Mr. ALLENBERG. Not when I was there.

The CHAIRMAN. Was he over at the Boulevard Hotel?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. When did you see him?

Mr. ALLENBERG. Around in the restaurants in town.

The CHAIRMAN. Did you know him to speak to?

Mr. ALLENBERG. I knew him to say "hello" to.

The CHAIRMAN. Where did you first know him?

Mr. ALLENBERG. I think in Wolfie's.

The CHAIRMAN. What is his interest in Miami?

Mr. ALLENBERG. He is in the gambling house business. He is supposed to be the man connected with the Blackamoor Room or some club over the Blackamoor Room. They played cards or gambled.

The CHAIRMAN. Is that in Miami?

Mr. ALLENBERG. Miami Beach.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Bennie Kay received in evidence as exhibit No. 55.)

The CHAIRMAN. Do you recognize the picture of this man?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Look at his name.

Mr. ALLENBERG. No, sir: I don't know him by name either: reputation or otherwise.

The CHAIRMAN. The name is Frank—

Mr. ALLENBERG. Livorsi.

The CHAIRMAN. You never saw him?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record.
(Photograph of Frank Livorsi received in evidence as exhibit

No. 56.)

The CHAIRMAN. Do you know this man?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Look at his name on the back.

Mr. ALLENBERG. I recognize the name "Poagy."

The CHAIRMAN. Was he one of your customers at the hotel?

Mr. ALLENBERG. He lived at the Wofford Hotel.

The CHAIRMAN. Where is he from?

Mr. ALLENBERG. I don't know.

The CHAIRMAN. He is a well-known gambler, isn't he?

Mr. ALLENBERG. I don't know what his business is, Senator.

The CHAIRMAN. What was his interest in Miami?

Mr. ALLENBERG. I don't know.

The CHAIRMAN. That will be received and made a part of the record.
(Photograph of Alfred Toriello received in evidence as exhibit

No. 57.)

The CHAIRMAN. Do you recognize this picture?

Mr. ALLENBERG. That is Frank Costello.

The CHAIRMAN. Did he ever stay at the Wofford Hotel?

Mr. ALLENBERG. Yes, sir; I think he did.

The CHAIRMAN. And at the Boulevard Hotel?

Mr. ALLENBERG. No, sir; he never stopped there.

The CHAIRMAN. How well did you know Frank Costello?

Mr. ALLENBERG. How well? I didn't know him well at all. I know him to say "Hello" to.

The CHAIRMAN. He stayed in your hotel?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Did you know him in New York before you came down here?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. How well did you know him in New York?

Mr. ALLENBERG. I didn't know him well in New York, either. I knew him from having met him through Frank Erickson.

The CHAIRMAN. How long did you know him in New York before you came here?

Mr. ALLENBERG. Maybe 2 or 3 years.

The CHAIRMAN. Did you ever have any business dealings with him?

Mr. ALLENBERG. I never had; no, sir.

The CHAIRMAN. How did you happen to know him?

Mr. ALLENBERG. I met him through Frank Erickson.

The CHAIRMAN. What is Frank Costello's business interest in Miami?

Mr. ALLENBERG. I don't know what Frank Costello's business interest is, Senator. All I know is he is supposed to be interested up in the Colonial Inn in Broward County, but not down here.

The CHAIRMAN. Does he have an interest up there now?

Mr. ALLENBERG. That I don't know, Senator.

The CHAIRMAN. Now, can you tell us what other interests he has? Does he have an interest in the bookie operations in the Roney Plaza?

Mr. ALLENBERG. I don't know.

The CHAIRMAN. What is your best information?

Mr. ALLENBERG. My information would be that he doesn't have.

The CHAIRMAN. Let this photograph be received and made a part of the record.

(Photograph of Frank Costello received in evidence as exhibit No. 58.)

The CHAIRMAN. These pictures, most of whom you recognized, are the so-called New York syndicate, aren't they? Erickson, Costello—

Mr. ALLENBERG. Gamblers, yes, sir.

The CHAIRMAN. That is the so-called New York syndicate, isn't it?

Mr. ALLENBERG. I would say "Yes."

The CHAIRMAN. And they were all practically customers of your hotel?

Mr. ALLENBERG. They all lived at the Wofford Hotel, Senator.

The CHAIRMAN. You were glad to have them there, weren't you?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Why didn't you keep them out?

Mr. ALLENBERG. When a guest comes to stop at a hotel, it is hard keeping him out.

The CHAIRMAN. They were there during the war years, weren't they? 1943 and 1944?

Mr. ALLENBERG. That is right.

The CHAIRMAN. Were you turning people away?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. You were turning people away in droves, so you could pretty well choose your guests.

You know you would go down personally to meet some of them at the train. For instance, Frank Erickson?

Mr. ALLENBERG. Erickson; yes, sir.

The CHAIRMAN. And Costello?

Mr. ALLENBERG. Not Costello, sir.

The CHAIRMAN. And Frank Erickson and his whole bunch—his accountant, his wife, and you had an arrangement where you could drive your car next to where they would get off and put them in your car and take them to the hotel.

Mr. ALLENBERG. It was not my car because we hired it.

The CHAIRMAN. You did have a car hired and you would go down and get them right out of the pullman, into your car so you wouldn't have any inconvenience and they wouldn't be seen?

Mr. ALLENBERG. I don't know that it actually was not to be seen.

The CHAIRMAN. Did you go to meet all of your guests like that?

Mr. ALLENBERG. Some of them I did.

The CHAIRMAN. Your special ones?

Mr. ALLENBERG. They would have to be special to go down and meet them.

The CHAIRMAN. Let's look at a few more pictures and see if you recognize them.

Do you recognize this man?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Look at his name on the back and see if you know his name.

Mr. ALLENBERG. I don't see any name, Senator, unless it is "Sullivan."

The CHAIRMAN. "Angelino from Albany."

Mr. ALLENBERG. The name means nothing to me, Senator.

Mr. HALLEY. That is exhibit No. 59.

(Photograph of George Angersola received in evidence as exhibit No. 59.)

Mr. HALLEY. We have a name "George Angersola."

Mr. ALLENBERG. That is George King.

Mr. HALLEY. That is George King? It doesn't look like him.

Mr. ALLENBERG. I know George King. That is none of the brothers of John King.

The CHAIRMAN. Was John King or George King a customer of yours?

Mr. ALLENBERG. George King lived at the Wofford.

The CHAIRMAN. And he is of the so-called Cleveland gang?

Mr. ALLENBERG. So I am told, Senator.

The CHAIRMAN. You know that; don't you?

Mr. ALLENBERG. I don't know it, Senator.

The CHAIRMAN. You know all of these men have criminal records as long as your arm.

Mr. ALLENBERG. Now we do.

The CHAIRMAN. You know it at the time?

Mr. ALLENBERG. No; I didn't know it at the time. All that has come out since then.

The CHAIRMAN. He has been in the Boulevard Hotel with you; hasn't he?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Whose is the second picture?

Mr. ALLENBERG. John King.

The CHAIRMAN. Is he a brother?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. He is another one of the Cleveland gang; isn't he?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Was he a customer of yours at the Wofford Hotel?

Mr. ALLENBERG. John King had an interest in it.

The CHAIRMAN. In the Wofford Hotel?

Mr. ALLENBERG. Yes, sir. That is the same James King as on those papers.

The CHAIRMAN. And he had a criminal record before he had an interest in the Wofford Hotel?

Mr. ALLENBERG. I did not know it.

The CHAIRMAN. This photograph will be received and made a part of the record.

(Photograph of John King received in evidence as exhibit No. 60.)

The CHAIRMAN. Do you recognize this man?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Look at his name.

Mr. ALLENBERG. I don't recognize him.

The CHAIRMAN. What is his name?

Mr. HALLEY. Romeo Joseph Civatta.

The CHAIRMAN. That will be received in evidence and made a part of the record.

(Photograph of Romeo Joseph Civatta received in evidence as exhibit No. 61.)

The CHAIRMAN. Do you recognize this man?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Look at his name on the back and see if you recognize his name.

Mr. ALLENBERG. No, sir; I do not.

Mr. HALLEY. C-i-b-e-t-t-a.

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Look at his name, and see if you recognize that name.

Mr. ALLENBERG. No, sir; I do not.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Tony L. Cibetta received in evidence as exhibit No. 62.)

The CHAIRMAN. Do you recognize this man? What is his name?

Mr. ALLENBERG. It is the same—Civetta—Carlo F. Civetta. I don't know him.

The CHAIRMAN. It will be received and made a part of the record.

(Photograph of Carlo F. Civetta received in evidence as exhibit No. 63.)

The CHAIRMAN. Do you recognize this picture?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Read his name.

Mr. ALLENBERG. Joseph Di Carlo.

The CHAIRMAN. Was he a customer of yours?

Mr. ALLENBERG. He was a customer of the hotel, but I don't remember him; I remember the name.

The CHAIRMAN. How about Civetta?

Mr. ALLENBERG. I don't remember him.

The CHAIRMAN. Was he a customer?

Mr. ALLENBERG. I don't remember.

The CHAIRMAN. This picture will be received in evidence and made a part of the record.

(Photograph of Joseph Di Carlo received in evidence as exhibit No. 64.)

The CHAIRMAN. How about Sam Di Carlo. Do you recognize his picture?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Do you remember his name?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Was he a guest at the hotel?

Mr. ALLENBERG. When I say I don't remember I mean I don't remember whether it was Sam or George or what the name was, but I remember the name Di Carlo.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Sam Di Carlo, alias Toto, received in evidence as exhibit No. 65.)

The CHAIRMAN. Do you recognize this picture?

Mr. ALLENBERG. Yes; I remember this fellow.

The CHAIRMAN. Who is he?

Mr. ALLENBERG. His name is Miller. He never lived at the Wofford Hotel.

The CHAIRMAN. You have known him here for quite a while?

Mr. ALLENBERG. Known of him.

The CHAIRMAN. Do you know him personally?

Mr. ALLENBERG. I know him to say hello to, but that is all.

The CHAIRMAN. Is he a criminal?

Mr. ALLENBERG. I don't know, except that I see a mark on here.

The CHAIRMAN. That will be received in evidence and made a part of the record.

(Photograph of Sam Miller received in evidence as exhibit No. 66.)

The CHAIRMAN. Do you recognize this man?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Fred King.

Mr. ALLENBERG. That does not look like Fred King; the one I know. I know Fred King.

The CHAIRMAN. You know Fred King?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Fred King received in evidence as exhibit No. 67.)

Mr. HALLEY. You don't recognize him even after you see the picture?

Mr. ALLENBERG. You can see the smile on his face that that is him.

The CHAIRMAN. Do you recognize this picture?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Read his name.

Mr. ALLENBERG. I don't know him. I know the name by reputation.

The CHAIRMAN. Was he a guest at your hotel?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. And you don't remember him?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Do you know this man?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. The picture of Abraham Zwillman will be No. 68.

(The photograph of Abraham Zwillman received in evidence as exhibit No. 68.)

Mr. ALLENBERG. He is a friend of John King's.

The CHAIRMAN. Did he stay at the Wofford Hotel?

Mr. ALLENBERG. I think he stayed at the Wofford, but I am not sure.

The CHAIRMAN. Do you know this man?

Mr. ALLENBERG. That is Jack Friedlander, a man with a gambling reputation.

The CHAIRMAN. Where did he come from?

Mr. ALLENBERG. I understood he came from Jersey.

The CHAIRMAN. Was he a guest at the Wofford Hotel?

Mr. ALLENBERG. I don't think so, Senator. I know who he is, but I don't think he stopped at the Wofford Hotel.

The CHAIRMAN. But he is a well known local gambler?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. What is his interest in Miami?

Mr. ALLENBERG. Gambling houses, as far as I know.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Jack Friedlander received in evidence as exhibit No. 69.)

Mr. HALLEY. Do you know what gambling houses Jack Friedlander is in?

Mr. ALLENBERG. The Island Club—a couple of years.

Mr. HALLEY. Any others?

Mr. ALLENBERG. The 86 Club a couple of years ago.

The CHAIRMAN. Do you recognize this picture?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Read his name.

Mr. ALLENBERG. Nicholas Delmore.

The CHAIRMAN. Did you ever hear of his name?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Was he a guest of yours at the Wofford Hotel?

Mr. ALLENBERG. I don't remember whether he was or not. He is vague to me.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Nicholas Delmore received in evidence as exhibit No. 70.)

The CHAIRMAN. Do you know William Mooretti?

Mr. ALLENBERG. He stopped at the Wofford Hotel, but I wouldn't recognize him from this picture; but he stopped there.

The CHAIRMAN. Who is he?

Mr. ALLENBERG. He is from Jersey, too; supposed to be a gambler from Jersey.

The CHAIRMAN. A part of the so-called Jersey gang or mob?

Mr. ALLENBERG. The reason I remember his name is he moved from the Wofford Hotel up to one of the better hotels—the Versailles or something. I remember the name.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of William Mooretti received in evidence as exhibit No. 71.)

The CHAIRMAN. Do you remember this man?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Read his name.

Mr. ALLENBERG. No; I don't remember him at all.

The CHAIRMAN. Do you remember that name as being at your hotel?

Mr. ALLENBERG. I remember a De Carlo. We had three pictures, Senator, but I don't remember which one.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Angelo De Carlo received in evidence as exhibit No. 72.)

The CHAIRMAN. Do you know this person?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Read his name.

Mr. ALLENBERG. No; I don't know him. I never saw him.

The CHAIRMAN. What is the name on that?

Mr. ALLENBERG. Riga.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of William Riga received in evidence as exhibit No. 73.)

The CHAIRMAN. Do you know this person?

Mr. ALLENBERG. That is Joe Massei.

The CHAIRMAN. Where is he from?

Mr. ALLENBERG. From Detroit.

The CHAIRMAN. Was he a guest at the Wofford Hotel?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Where did you know him?

Mr. ALLENBERG. He used to visit King and Carfano and I met him around there.

Mr. HALLEY. Is Massei interested in any gambling enterprise in the Miami vicinity that you know of?

Mr. ALLENBERG. Only by reputation that I have heard; Greenacres is the place I heard.

Mr. HALLEY. He has a very substantial interest in the so-called big crap games, doesn't he?

Mr. ALLENBERG. I am not sure what it is, but I know he is supposed to have a substantial interest in Greenacres. He also has a legitimate business here—the Miami Provision Co.

The CHAIRMAN. What is the Miami Provision Co.?

Mr. ALLENBERG. A meat company.

The CHAIRMAN. Is that located on the beach?

Mr. ALLENBERG. No; it is located in Miami.

The CHAIRMAN. Does he have an interest, direct or indirect, in the Wofford Hotel, or did he have?

Mr. ALLENBERG. Not that I know of.

The CHAIRMAN. How about the Boulevard Hotel?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Joseph Massei received in evidence as exhibit No. 74.)

The CHAIRMAN. Do you know this person?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Read his name.

Mr. ALLENBERG. Lefty Clark.

The CHAIRMAN. Do you know Bischoff? (Alias Lefty Clark.)

Mr. ALLENBERG. Lefty Clark.

The CHAIRMAN. Look at him. Do you recognize him?

Mr. ALLENBERG. He got fatter, think, since this picture.

The CHAIRMAN. Was he a guest at the Wofford Hotel?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Where did you know him?

Mr. ALLENBERG. I met him around the Wofford Hotel. He never lived there.

The CHAIRMAN. What is his legitimate interest in Miami?

Mr. ALLENBERG. I don't know that he has any.

The CHAIRMAN. Illegitimate interest?

Mr. ALLENBERG. Greenacres.

The CHAIRMAN. You saw him around the Wofford Hotel?

Mr. ALLENBERG. I would say that I didn't.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of William Bischoff, alias Lefty Clerk, received in evidence as exhibit No. 75.)

The CHAIRMAN. Do you know this person?

Mr. ALLENBERG. No, sir; I don't know him.

The CHAIRMAN. Look at his name.

Mr. ALLENBERG. No, sir; I don't recognize him. Louis Ricciardi.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Louis Ricciardi received in evidence as exhibit No. 76.)

The CHAIRMAN. Do you know Joe Burnstein?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Or James Burnett? Do you recognize that picture?

Mr. ALLENBERG. I don't recognize it.

The CHAIRMAN. Never saw him before?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Joe Burnstein received in evidence as exhibit No. 77.)

The CHAIRMAN. How about Pete Licavoli or Little Pete? Do you remember him?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Look at his name and his aliases.

Mr. ALLENBERG. I don't know him.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Pete Licavoli received in evidence as exhibit No. 78.)

The CHAIRMAN. Do you know Isadore Blumenfield?

Mr. ALLENBERG. No, sir; I do not.

The CHAIRMAN. Did you ever see his name before?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Isadore Blumenfield received in evidence as exhibit No. 79.)

The CHAIRMAN. Do you recognize this person?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Look at his name.

Mr. ALLENBERG. I know the man by name, but I don't even know him.

The CHAIRMAN. Was he a guest at your hotel?

Mr. ALLENBERG. No, sir; he never stopped there.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Martin Francis Guilfoyle received in evidence as exhibit No. 80.)

The CHAIRMAN. How about the Fischetti boys?

Mr. ALLENBERG. I know them by name.

The CHAIRMAN. Did they stop at the Wofford?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Where did they stop?

Mr. ALLENBERG. I don't know.

The CHAIRMAN. Did you ever see them in Miami?

Mr. ALLENBERG. On Twenty-third Street.

The CHAIRMAN. Did they ever come to the Wofford Hotel?

Mr. ALLENBERG. They have a home here, as I understand it.

The CHAIRMAN. You do know them?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Is this a picture of Charles Fischetti?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Charles Fischetti received in evidence as exhibit No. 81.)

The CHAIRMAN. What about Murray Humphrey.

Mr. ALLENBERG. I don't know him. I don't remember him.

The CHAIRMAN. Do you know his name?

Mr. ALLENBERG. Only from seeing it in the newspapers.

The CHAIRMAN. You have never seen him personally?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Murray Humphrey received in evidence as exhibit No. 82.)

The CHAIRMAN. Do you know this man?

Mr. ALLENBERG. He has been in the vicinity on Twenty-fourth Street.

The CHAIRMAN. Where is he from?

Mr. ALLENBERG. Either Detroit or Chicago.

The CHAIRMAN. Was he a part of the old Capone syndicate?

Mr. ALLENBERG. I don't know it, except from what I have heard.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Martin Accardo received in evidence as exhibit No. 83.)

(Photographs of Max Caldwell and Paul Viela received in evidence as exhibits Nos. 84 and 85, respectively.)

The CHAIRMAN. Do you recognize this picture?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Ralph Buglio?

Mr. ALLENBERG. I don't know him.

The CHAIRMAN. Was he a guest of the hotel?

Mr. ALLENBERG. I would say "No."

The CHAIRMAN. This will be received in evidence and made a part of the record.

(Photograph of Ralph Buglio received in evidence as exhibit No. 86.)

The CHAIRMAN. Willie Heeney? Do you know him?

Mr. ALLENBERG. No, sir; I do not know him.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of William Heeney received in evidence as exhibit No. 87.)

Mr. ALLENBERG. Is that the same man that might have a liquor store on Washington Avenue? I don't know him, either, but there is another man by the name of William Heeney.

The CHAIRMAN. Do you know Nig Rosen or Harry Rosen?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Look at his picture and see if you recognize him.

Mr. ALLENBERG. No, sir; I do not recognize him.

The CHAIRMAN. Have you ever heard his name?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Has he ever been a guest of the Wofford Hotel?

Mr. ALLENBERG. I don't think so.

The CHAIRMAN. That will be received in evidence and made a part of the record.

(Photograph of Harry Rosen received in evidence as exhibit No. 88.)

The CHAIRMAN. Samuel Hoffman?

Mr. ALLENBERG. I don't recognize him, either.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Samuel Hoffman received in evidence as exhibit No. 89.)

The CHAIRMAN. David Glass?

Mr. ALLENBERG. I know him.

The CHAIRMAN. Where did you know him?

Mr. ALLENBERG. He was operating the Grand Hotel. He is in the hotel business.

The CHAIRMAN. Is he still in the hotel business?

Mr. ALLENBERG. He is over at the Sands Hotel.

The CHAIRMAN. Does he operate the Sands Hotel?

Mr. ALLENBERG. I think so.

The CHAIRMAN. Where is Rosen from?

Mr. ALLENBERG. This is David Glass.

The CHAIRMAN. I mean David Glass.

Mr. ALLENBERG. He is from Philadelphia.

The CHAIRMAN. And Rosen is from Philadelphia, too, isn't he?

Mr. ALLENBERG. That I don't know.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of David Glass received in evidence as exhibit No. 90.)

The CHAIRMAN. Do you know Jack Silver?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Jack Silver received in evidence as exhibit No. 91.)

The CHAIRMAN. Do you know Max Segal?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Max Segal received in evidence as exhibit No. 92.)

The CHAIRMAN. Do you recognize this picture?

Mr. ALLENBERG. No; I don't.

The CHAIRMAN. As Frank Russo?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Frank Russo received in evidence as exhibit No. 93.)

The CHAIRMAN. Do you know this man's name?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Abe Martin, alias Abe Glassman?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of Abe Martin received in evidence as exhibit No. 94.)

The CHAIRMAN. Do you know John Rosen or Edwin Goldberg or Irving Greenberg?

Mr. ALLENBERG. No; I don't know him.

The CHAIRMAN. That will be received and made a part of the record.

(Photograph of John Rosen received in evidence as exhibit No. 95.)

The CHAIRMAN. Do you know Nathan Stromberg?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record. (Photograph of Nathan Stronberg received in evidence as exhibit No. 96.)

The CHAIRMAN. Do you know Joseph Herman Kriss?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record. (Photograph of Joseph Herman Kriss received in evidence as exhibit No. 97.)

The CHAIRMAN. Do you know Tony Narcisi?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. That will be received and made a part of the record. (Photograph of Tony Narcisi received in evidence as Exhibit No. 98.)

The CHAIRMAN. Where did the Philadelphia gang stay when they were down here?

Mr. ALLENBERG. I don't know, Senator.

The CHAIRMAN. At the Sands Hotel?

Mr. ALLENBERG. I don't know.

The CHAIRMAN. Do you know Frank Matteo?

Mr. ALLENBERG. No; I don't know this fellow.

The CHAIRMAN. That will be received and made a part of the record. (Photograph of Frank Matteo received in evidence as Exhibit No. 99.)

The CHAIRMAN. Mr. Allenberg, a remarkable number of these people who are big-time gamblers and acquaintances of yours stayed at your hotel.

Mr. ALLENBERG. I didn't know the reputation of these people until the last few years, Senator, and they lived there years ago, before any of us knew of their reputations or had it called to their attention.

The CHAIRMAN. You knew what they were doing in your hotel?

Mr. ALLENBERG. Well, they——

The CHAIRMAN. They were gamblers and they made your hotel their headquarters for their activities.

Mr. ALLENBERG. I can't say, Senator. I don't know. Some of them were gamblers, but I didn't know all of them to be gamblers. People come down here to go to the race tracks every day, anxious to gamble, and they gamble thousands of dollars at night.

Mr. HALLEY. Mr. Aallenberg, you were in the Wofford Hotel from 1941 to 1948; is that right?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And in the Boulevard Hotel in 1946, 1947, 1948, and 1949?

Mr. ALLENBERG. Yes. My lease just terminated.

Mr. HALLEY. When did the lease at the Boulevard Hotel terminate?

Mr. ALLENBERG. April 1, 1950.

Mr. HALLEY. Right up to April 1, 1950, you have continued to operate the Boulevard Hotel?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And right up to April 1950 various of Erickson's people stayed at the Boulevard Hotel?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Who were they?

Mr. ALLENBERG. Bert Briggs, Cantor, Zeldow; that is all I can remember offhand that stayed there this last winter. I wasn't around

the hotel last winter because I was over operating the Robert Richter Hotel.

Mr. HALLEY. Did they continue to operate their gambling from the Boulevard Hotel up there last winter, as you have previously testified they did in the past?

Mr. ALLENBERG. I would say that they have not changed any.

Mr. HALLEY. As I understand your testimony, Briggs and Cantor in particular would be in charge of the operations within the track?

Mr. ALLENBERG. That is right.

Mr. HALLEY. At what tracks did they operate?

Mr. ALLENBERG. Any track that happened to be open.

Mr. HALLEY. At the track they would take bets from bettors at the track personally, and they had a method of receiving bets by telephone?

Mr. ALLENBERG. They wouldn't receive the bets by telephone in the race track. That would have to be outside of the track.

Mr. HALLEY. They had an associate outside of the track?

Mr. ALLENBERG. Yes.

Mr. HALLEY. Who reported to them as soon as he got the bet?

Mr. ALLENBERG. They would hit the machines and make the bet. That was not done for the purpose of betting with them. That was for the purpose of putting money into the machines. These bets outside the track were sent to the race tracks. That is what they call comeback money in race tracks.

Mr. HALLEY. What would be in that for Erickson, taking bets from the machines? Why would he do that?

Mr. ALLENBERG. The reason they do that is that comes not from down here, but from Jersey or wherever else they might be or have been operating, and if they got big bets from Tom Jones and if Tom hit, they wanted to reduce the size of the bet that they took.

Mr. HALLEY. They would put it in the machine if they didn't want to book it themselves?

Mr. ALLENBERG. That is right.

Mr. HALLEY. Who operated that comeback operation? What individual?

Mr. ALLENBERG. Who did it the last winter, I don't know.

Mr. HALLEY. Who did it before that?

Mr. ALLENBERG. I can't think of his name. The fellow is dead. He died here last year.

Mr. HALLEY. One of Erickson's people?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Did they also receive bets by telephone from other cities?

Mr. ALLENBERG. Not at the Boulevard Hotel.

Mr. HALLEY. Where did they receive them?

Mr. ALLENBERG. That would be in the other office, not down here.

Mr. HALLEY. You are speaking of the Teepee Grill?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Tell the committee about that.

Mr. ALLENBERG. I don't know anything about the Teepee Grill.

Mr. HALLEY. You must.

Mr. ALLENBERG. I am telling you that all I know is that it is in the nature of a night club. That is all I know of the Teepee Grill. I was never there in my life. I wouldn't know where it is or anything.

Mr. HALLEY. There was a very elaborate operation on the floor above the night club of the Teepee Grill and you know about it, I am sure. I think this: That it is time for you to convince the committee that you are willing to tell the committee what you know.

Mr. ALLENBERG. This is the first time I ever knew the Teepee Grill had anything upstairs over their show place. This is the first time that I ever heard of it.

Mr. HALLEY. Where did the wires come from out of the city for the booking of bets by telephone?

Mr. ALLENBERG. I don't know.

Mr. HALLEY. You know that they did come in; that bets were booked and received by phone?

Mr. ALLENBERG. There were bets made all over the United States in different gambling houses.

Mr. HALLEY. I mean in Miami—the people who stayed at the Boulevard Hotel—Briggs, Cantor, and their associates received bets by telephone, didn't they?

Mr. ALLENBERG. Not at the Boulevard Hotel.

Mr. HALLEY. They received them somewhere.

Mr. ALLENBERG. I don't know where they received them.

Mr. HALLEY. You know they received such bets.

Mr. ALLENBERG. They may have had an office where the telephones were but I don't know where it was and didn't know anything about it.

Mr. HALLEY. You know there was such an office.

Mr. ALLENBERG. There was an office.

Mr. HALLEY. Where they received telephone bets?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Didn't they report every day to Erickson or his accountant in New York on the results of the day's operations?

Mr. ALLENBERG. I would say that they did.

Mr. HALLEY. How did they report?

Mr. ALLENBERG. I don't know; I suppose by telephone or by letter.

Mr. HALLEY. Wasn't that all done in the Boulevard Hotel?

Mr. ALLENBERG. I would assume it was, but I don't know. I would say "Yes"; it was done that way.

Mr. HALLEY. These were all your close friends?

Mr. ALLENBERG. Yes, but I didn't do—I don't know how they operated their business.

Mr. HALLEY. They didn't shut their doors to you.

Mr. ALLENBERG. They didn't if I wanted to go in and see what went on, but I never went in.

Mr. HALLEY. You knew what was going on?

Mr. ALLENBERG. They sent their notices, or whatever they had.

Mr. HALLEY. Many people around the Boulevard knew, so you must have known, too.

Mr. ALLENBERG. Of course I knew it was going on, but I didn't know what they were doing. I don't know what they had and I didn't know how they handled it.

Mr. HALLEY. At the end of each day, the men at the track would come in with their money.

Mr. ALLENBERG. Yes.

Mr. HALLEY. And somebody would sit down to total it up, wouldn't they?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And that was done upstairs in the Boulevard Hotel?

Mr. ALLENBERG. Yes.

Mr. HALLEY. And the next morning some of the checks went to the bank to be cashed, didn't they?

Mr. ALLENBERG. Yes.

Mr. HALLEY. Who would do that?

Mr. ALLENBERG. I would cash checks for them if they asked me to.

Mr. HALLEY. Would you endorse the checks?

Mr. ALLENBERG. Sometimes. The betting at the race track was legal. There were mutuel windows where everybody was betting. It was all mixed up in a situation where people are betting on horses, and it didn't seem to be anything out of line. Everybody was playing horses or gambling down there or doing one of those kinds of things. You didn't even think of it.

Mr. HALLEY. You have stated the atmosphere and you have stated the reasons and also the facts. The committee is not at this moment sitting in judgment. The committee is sitting to get the facts. If you want to state as part of the facts how widespread it was, explain it.

Mr. ALLENBERG. I can only tell you as much as happened around the Boulevard Hotel.

Whether there were three or four or five men who would come back at night and go to their room—and assume for the sake of the record that they compiled their record of the day there—

Mr. HALLEY. You don't have to assume it. You know it, don't you?

Mr. ALLENBERG. Yes; I know it. I never saw them do it, but I would assume that is what happened.

Mr. HALLEY. You know it beyond any doubt. There is no doubt in your mind that that is what they were doing up there, is there?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Did Erickson also receive bets from other bookies and other gamblers in the nature of lay-offs?

Mr. ALLENBERG. That would be at the race track.

Mr. HALLEY. Did he do it?

Mr. ALLENBERG. I would say that he did.

Mr. HALLEY. Who are some of the people who laid off bets with Erickson? You can help and I think you should.

Mr. ALLENBERG. I am telling you from reputation of the fellows that played horses or books out there, and I would assume those would be the ones that would bet with him—Max Courtney, fellows like Joe Boyle—I don't know whether he ever did or not, but I know they are gamblers. George Scherman was a bookmaker out there, but I don't know to what extent he might have bet with Erickson. They were all bookmakers.

Mr. HALLEY. I would like to turn to another subject for the moment. What is the Abe Allenberg Contracting organization—H. L. Straus?

Mr. ALLENBERG. There is no such thing as an Abe Allenberg Contracting Co. There is a contract between Abe Allenberg and H. L. Straus.

Mr. HALLEY. What is that?

Mr. ALLENBERG. A contract in reference to the sale of the race track.

Mr. HALLEY. What was the price for which the race track was sold?

Mr. ALLENBERG. It was about—a little over a million dollars—and Erickson had 20 percent of it. There was also—that is the contract you are talking about, that paid \$80,000 to John Patton. Frank Erickson—

Mr. HALLEY. Who is John Patton?

Mr. ALLENBERG. John Patton was one of the owners of the Gables Racing Association stock.

Mr. HALLEY. He was in with Erickson in this Gables Racing Association?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. He represented the Capone syndicate, didn't he?

Mr. ALLENBERG. I couldn't say that.

Mr. HALLEY. He comes from Chicago?

Mr. ALLENBERG. Yes.

Mr. HALLEY. Wasn't he one of Capone's men?

Mr. ALLENBERG. I don't know. I wouldn't say that he was.

Mr. HALLEY. Would you say that he wasn't?

Mr. ALLENBERG. I would say he wasn't because I happen to know the man.

Mr. HALLEY. When did you last hear from Patton?

Mr. ALLENBERG. I heard from Patton yesterday.

Mr. HALLEY. Did you get a letter from him?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. In what connection?

Mr. ALLENBERG. In reference to this contract. The balance of the payment was made, and I didn't have the contract and I didn't know where it was. The lawyers in Baltimore prepared the assignment. The contract is in my name, and when the assignment is executed either the check is made to me and I endorse it over to Patton as his money—that must be the contract with Straus.

Mr. HALLEY. Were you paid a commission in connection with the sale of Tropical Park?

Mr. ALLENBERG. This is the commission.

Mr. HALLEY. \$36,000?

Mr. ALLENBERG. No; it was \$80,000 all together, and Patton got \$16—Erickson and Patton got \$80,000, and they got paid in proportion of 20 to 36. In other words, Erickson got five-ninths and Patton got four-ninths.

Mr. HALLEY. Did you ever get any part of it from Erickson?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. You were still on salary?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. What is the American Totalisator Co.?

Mr. ALLENBERG. They are the people that were associated with the purchase of this Gables Racing Association stock.

Mr. HALLEY. Who are those people?

Mr. ALLENBERG. Gurney Monks, his brother: H. L. Straus. Straus is dead. There were two other partners, and I have to deliver their—

Mr. HALLEY. That is the conclusion of the Gables transaction?

Mr. ALLENBERG. That is the last of the Gables transaction that I have anything to do with. It terminates with this.

Mr. HALLEY. Did you have a trading authorization for Frank Erickson here in Miami to trade at any stock-brokerage house?

Mr. ALLENBERG. I never traded for him.

Mr. HALLEY. Did you have an authorization to do it?

Mr. ALLENBERG. I may have had. I don't remember.

Mr. HALLEY. Did you have a power of attorney from Erickson?

Mr. ALLENBERG. I don't remember, Mr. Halley, if I did.

Mr. HALLEY. How did Erickson happen to invest in the Colonial Inn? Did that happen after you came down here representing him?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. In what year did he go into the Colonial Inn?

Mr. ALLENBERG. I would say that he went into the Colonial Inn when Ben Marden owned it.

Mr. HALLEY. When was that?

Mr. ALLENBERG. Not too many years ago.

Mr. HALLEY. Before the war?

Mr. ALLENBERG. Yes, sir. I would say before the war.

Mr. HALLEY. Long before the war or just before the war; around 1940, would you say?

Mr. ALLENBERG. I am trying to—I think he had an interest—it is a matter of record.

Mr. HALLEY. After you were in Tropical Park?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And before you sold out of Tropical Park; is that right?

Mr. ALLENBERG. That I don't remember.

Mr. HALLEY. Under what circumstances did Erickson go into the Colonial Inn?

Mr. ALLENBERG. That I don't know. I had nothing to do with that.

Mr. HALLEY. Did Briggs have a part of Colonial Inn?

Mr. ALLENBERG. That I don't know, except what I have seen in the records that have come out. I don't know otherwise.

Mr. HALLEY. Would it be your judgment that Briggs' interest was his own or was he simply holding it for Erickson, knowing the relation between the men?

Mr. ALLENBERG. It would seem to me that Briggs would be on a salary basis for that, as far as I can see.

Mr. HALLEY. And if he held an interest he held it as a trustee for Erickson?

Mr. ALLENBERG. I would imagine that might be the case. That is my supposition, the same as yours.

Mr. HALLEY. Adonis was in that, too, wasn't he?

Mr. ALLENBERG. I don't know. I have heard that he was.

Mr. HALLEY. And Lansky?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And Litteral?

Mr. ALLENBERG. Litteral? I haven't heard he was.

Mr. HALLEY. Alo?

Mr. ALLENBERG. I don't know. I haven't even heard about him.

Mr. HALLEY. Was Erickson also in Greenacres?

Mr. ALLENBERG. I think that Greenacres and Colonial Inn, as I knew, was one operation. I don't know whether it was true or not.

Mr. HALLEY. Is that also true of Club Boheme?

Mr. ALLENBERG. Yes. I am saying not that I know anything of my own knowledge. I am saying what my supposition is.

Mr. HALLEY. How do these fellows operate here openly, Mr. Allenberg? Do they pay off the authorities?

Mr. ALLENBERG. Your guess is as good as mine. I haven't any more right to my opinion than anybody else has.

Mr. HALLEY. The sheriff doesn't interfere with these operations, does he?

Mr. ALLENBERG. No.

Mr. HALLEY. Nor does the chief of police?

Mr. ALLENBERG. No. That doesn't necessarily mean always that they would be paid off.

Mr. HALLEY. The mayor doesn't interfere either?

Mr. ALLENBERG. No.

Mr. HALLEY. Do you know all of these gentlemen personally?

Mr. ALLENBERG. Most of them.

Mr. HALLEY. Do you have any doubt that they know that this gambling goes on openly all over the county?

Mr. ALLENBERG. I would say they would have no doubt about the fact that it was going on.

Mr. HALLEY. They would have to be blind?

Mr. ALLENBERG. Yes.

Mr. HALLEY. It goes on in the open in practically every hotel? Every hotel has a book?

Mr. ALLENBERG. Yes; except my hotel.

Mr. HALLEY. The Robert Richter does not?

Mr. ALLENBERG. It did not have it under my operation.

Mr. HALLEY. Will you state as a fact that the Robert Richter did not have a book?

Mr. ALLENBERG. That is right.

Mr. HALLEY. Did the Boulevard have a book?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. How about the Wofford?

Mr. ALLENBERG. The Wofford had no book when I was there.

Mr. HALLEY. Didn't the Wofford originally have a set-up for gambling?

Mr. ALLENBERG. No, sir. That was a figment of somebody's imagination. The sheriff came over there with the patrol wagon on the theory that the whole top floor was a gambling house. There wasn't anything there. There were people living there.

Mr. HALLEY. Just before Erickson decided to go to the Colonial Inn, wasn't it held to be a fact that the Wofford was being used for gambling?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. Isn't that why he originally financed the purchase for you?

Mr. ALLENBERG. There is not the slightest truth in that.

Mr. HALLEY. Did you ever see any gambling equipment in the hotel?

Mr. ALLENBERG. No, sir; I never did.

Mr. HALLEY. Even when you first went into it?

Mr. ALLENBERG. No, sir. Those fellows used to go upstairs and used to play cards for very heavy stakes, such as poker or gin, but they played for big money.

Mr. HALLEY. How do you explain the fact that the officials do not interfere with these operations?

Mr. ALLENBERG. There must be some kind of political set-up they are attached to. They might put money into the campaign funds or something.

The CHAIRMAN. Well, Mr. Allenberg, you have done considerable fixing yourself, haven't you?

Mr. ALLENBERG. No, sir, Senator; I have not done any fixing. That is not—

The CHAIRMAN. You never fixed up a public official?

Mr. ALLENBERG. No, sir; I have not.

The CHAIRMAN. This John Patton that you referred to in your records a few minutes ago as owning part of Tropical Park race track with Erickson—is that correct?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Wasn't he one of the Capone syndicate from Chicago? Isn't that the man with a criminal record from Chicago?

Mr. ALLENBERG. I do know that he has a criminal record, Senator.

The CHAIRMAN. He is a notorious gambler in this section of the country?

Mr. ALLENBERG. I don't know whether he is notorious as a gambler. He is notorious in having his name linked with Capone.

The CHAIRMAN. He still has a home at the beach?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. What other interests does he have here?

Mr. ALLENBERG. He is associated with the Miami Beach Kennel Club—he or his son.

The CHAIRMAN. I see here that you got to be honorary deputy sheriff of Dade County.

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Is that from Jimmy Sullivan?

Mr. ALLENBERG. He is the sheriff of Dade County; yes, sir.

The CHAIRMAN. I have a card here showing that you are an honorary member. That will be filed as an exhibit.

(Card showing Abe Allenberg honorary deputy sheriff received in evidence as exhibit No. 100. See appendix, p. 732.)

Mr. ALLENBERG. I asked him for the card.

The CHAIRMAN. Did he know about your association with all these gamblers or criminals?

Mr. ALLENBERG. I know more people that have unblemished records among those I happened to have known years ago and with whom I have been associated, but they didn't have records at that time.

The CHAIRMAN. Did you ask Jimmy Sullivan to make you a deputy sheriff?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Your friendship with him has been rather close for over quite some period of time?

Mr. ALLENBERG. I have known him pretty well.

The CHAIRMAN. And have always supported him in all of his elections?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. How long have you known him?

Mr. ALLENBERG. Since he ran for sheriff the first time.

The CHAIRMAN. How long has that been?

Mr. ALLENBERG. Eight years ago.

The CHAIRMAN. Who is the chief of police at Miami Beach?

Mr. ALLENBERG. Albert Simpson.

The CHAIRMAN. Are you pretty close with him?

Mr. ALLENBERG. Yes, sir; I know him pretty well. When I say "close," I mean I know him.

The CHAIRMAN. And you supported him in his election?

Mr. ALLENBERG. Simpson? No, sir. They are not elected. They are appointed.

The CHAIRMAN. How about the mayor?

Mr. ALLENBERG. I didn't take any part in the mayor's election.

The CHAIRMAN. Who is the mayor?

Mr. ALLENBERG. The mayor is Harold Turk.

The CHAIRMAN. Do you know him well?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. You had the Florida Sheriffs' Association out at your hotel, didn't you?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. And you had a special card to the Florida Sheriffs' Association in 1948?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. That will be filed as an exhibit.

(Courtesy card, Florida Sheriffs' Association, Abe Allenberg, received in evidence as exhibit No. 101. See appendix, p. 733.)

Mr. ALLENBERG. The Florida sheriffs go to different cities for their convention.

The CHAIRMAN. What is this paper?

Mr. ALLENBERG. This letter is apparently a copy of a letter——

The CHAIRMAN. Which you wrote to the Miami Beach Kennel Club dated June 15, 1944.

Will you read the letter? It is very short.

Mr. ALLENBERG. When they had the convention they stayed at the Wofford Hotel June 12 and 13, and this was for the rooms they occupied there.

The CHAIRMAN. This Mr. Johnston in this letter is the man who owns a number of dog tracks around here?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. And does he have this Kennel Club to whom this letter is addressed?

Mr. ALLENBERG. He is associated with it.

The CHAIRMAN. Why did you send it to that Kennel Club?

Mr. ALLENBERG. That was his address.

The CHAIRMAN. The letter is addressed to the Kennel Club, isn't it?

Mr. ALLENBERG. That is correct. He might have told me to send the bill to the Kennel Club.

The CHAIRMAN. Let that be filed as an exhibit.

(Letter to Miami Beach Kennel Club re Wofford Hotel bill received in evidence as exhibit No. 102. See appendix, p. 733.)

The CHAIRMAN. Who is Jim Ponzio?

Mr. ALLENBERG. A restaurant man from New York, a personal friend of mine. He has never been down here.

The CHAIRMAN. Is he in a racket?

Mr. ALLENBERG. No; he has a diner.

The CHAIRMAN. And this is a letter that you received from him?

Mr. ALLENBERG. Yes, sir. These people were making a diner for him and there was trouble with the electrical work and they had to try to have somebody fix it up for him.

The CHAIRMAN. Let us mark this as "Exhibit No. 103."

(Letter from Jim Ponzio to Abe Allenberg dated September 27, 1948, received in evidence as exhibit No. 103. See appendix, p. 734.)

The CHAIRMAN. In this letter it says:

They are having difficulty with the electrical inspectors due chiefly to wiring. We encounter this from time to time and a few dollars will fix everything up. However, the chief electrical inspector's name in Miami is Knox and his assistant's name is Cousen. If you will contact these two men personally or have your emissary in Miami take care of them and see that the thing is accepted, it would help things a great deal.

Mr. ALLENBERG. It was not taken care of.

The CHAIRMAN. Who is your emissary in Miami?

Mr. ALLENBERG. I guess he means some of my political friends that I have around that might be able to see the thing was properly straightened out.

The CHAIRMAN. You get things fixed up with your political friends?

Mr. ALLENBERG. There might be a favor once in a while. It is not a question of fixing.

The CHAIRMAN. He says, "P. S. I understand Senator Pepper is the man to give the O. K."

Mr. ALLENBERG. Pepper didn't know anything about it.

The CHAIRMAN. Did you ask Senator Pepper about this?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. How did he understand that?

Mr. ALLENBERG. Maybe Kullman, the people who built the diner, told them that. They just used the man's name and didn't know what they were talking about.

The CHAIRMAN. You apparently contributed \$2,500 to the Democratic National Committee on March 31, 1947; is that correct?

Mr. ALLENBERG. I sold 10 tickets to the National Democratic Committee to Frank Erickson.

The CHAIRMAN. You sold 10 tickets?

Mr. ALLENBERG. Yes, sir; I sold 10 tickets.

The CHAIRMAN. Where was the dinner?

Mr. ALLENBERG. Roney Plaza Hotel.

The CHAIRMAN. Is that what that \$2,500 is for?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. What favor were you trying to get out of the Democratic National Committee?

Mr. ALLENBERG. Nothing in particular.

The CHAIRMAN. Let's make that a part of the record.

(Letter dated May 6, 1947, from George M. Killion, received in evidence as exhibit No. 104. See appendix, p. 734.)

Mr. ALLENBERG. There was a lot money raised down here, Senator.

The CHAIRMAN. Did Frank Erickson attend the dinner?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Did you attend the dinner?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Did Frank Costello attend the dinner?

Mr. ALLENBERG. I don't think so.

The CHAIRMAN. Who was the principal speaker at the dinner?

Mr. ALLENBERG. I don't remember.

The CHAIRMAN. Did you contribute anything to the Republican National Committee?

Mr. ALLENBERG. No, sir. They didn't have any dinner.

The CHAIRMAN. Have you contributed to the Republican National Committee?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Only the Democratic?

Mr. ALLENBERG. Yes, sir. It happened to be one of those things that came along and there was a great hurrah made about it.

The CHAIRMAN. Why didn't Frank Erickson buy anything in his own name?

Mr. ALLENBERG. I was the one that sold it.

The CHAIRMAN. You were the seller of the tickets?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Who got you to sell the tickets? Who spoke to you about it?

Mr. ALLENBERG. A. C. Carrara, of the Democratic national treasurer's office.

The CHAIRMAN. And he wrote you and asked you to sell some tickets?

Mr. ALLENBERG. He was down here.

The CHAIRMAN. Did he stay at the Wofford Hotel?

Mr. ALLENBERG. I don't think so.

The CHAIRMAN. Who is Ralph or Raphael W. Alpher?

Mr. ALLENBERG. He was a lawyer in New York.

The CHAIRMAN. Here is a letter from Ralph W. Alpher dated August 4, 1948. He signed it "Ralph" so he must be a good friend of yours.

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Let's make that letter an exhibit.

(Letter dated August 4, 1948, signed "Ralph" received in evidence as exhibit No. 105. See appendix, p. 734.)

The CHAIRMAN. Who is the Mr. Perlman or Pearlberg mentioned in this letter?

Mr. ALLENBERG. He is a man that lives here in town.

The CHAIRMAN. What is his first name?

Mr. ALLENBERG. Jack.

The CHAIRMAN. He talks about a contact with the Governor-elect. Is that Warren?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Did you investigate this matter and find out about it?

Mr. ALLENBERG. No, sir; I did not.

The CHAIRMAN. What is your association with Mr. Warren?

Mr. ALLENBERG. I know Mr. Warren very well.

The CHAIRMAN. Did you contribute to his campaign?

Mr. ALLENBERG. No, sir; I did not, except in a very small way; maybe a couple of hundred dollars.

The CHAIRMAN. In Tennessee a couple of hundred dollars is a pretty substantial contribution. How much did you contribute to Governor Warren's campaign?

Mr. ALLENBERG. About \$300.

The CHAIRMAN. Do you want to think about that again?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Who did you contribute it through?

Mr. ALLENBERG. Through myself.

The CHAIRMAN. Who did you contribute it through? To whom did you give it?

Mr. ALLENBERG. It went out as expenses. I bought signs.

The CHAIRMAN. You just gave \$300 and you paid for signs and things of that sort?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Did you send something to his campaign manager here in Dade County?

Mr. ALLENBERG. No, sir; because I helped campaign myself over on the Beach.

The CHAIRMAN. You were a part of the management yourself?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Did you collect money for him?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. How much did you collect?

Mr. ALLENBERG. \$5-, \$6- or \$8,000. I just don't remember offhand.

The CHAIRMAN. There is quite a difference between \$5,000 and \$8,000.

Mr. ALLENBERG. I know, but I haven't computed it, Senator. I never figured it.

The CHAIRMAN. Do you still have your records?

Mr. ALLENBERG. Yes; I have some of the records here.

The CHAIRMAN. To whom did you turn that over?

Mr. ALLENBERG. That went to the expenses of the campaign.

The CHAIRMAN. Were you his manager over on the Beach?

Mr. ALLENBERG. No, sir; I was the treasurer.

The CHAIRMAN. How about Frank Erickson? Did he contribute, too?

Mr. ALLENBERG. No, sir; he had nothing to do with it.

The CHAIRMAN. How about Little Augie?

Mr. ALLENBERG. Nothing.

The CHAIRMAN. Or any other gamblers. Did you get any money out of them?

Mr. ALLENBERG. Never got any money from any of those fellows. Whatever it is, I have a record of it here.

The CHAIRMAN. Mr. Allenberg, how old are you?

Mr. ALLENBERG. I will be 59 on the 25th of October.

The CHAIRMAN. Are you married?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. How much family do you have?

Mr. ALLENBERG. Wife and two children.

The CHAIRMAN. Where were you born?

Mr. ALLENBERG. Portland, Oreg.

The CHAIRMAN. Did you go to school out there?

Mr. ALLENBERG. No, sir. I went to school in New York.

The CHAIRMAN. You and your family moved to New York?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. You are a lawyer?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Where did you study law?

Mr. ALLENBERG. New York Law School.

The CHAIRMAN. Where did you practice in New York?

Mr. ALLENBERG. I practiced at 115 Broadway and 165 Broadway.

The CHAIRMAN. Who did you practice with at 115 Broadway?

Mr. ALLENBERG. House, Grossman, and Vorhouse.

The CHAIRMAN. And at 165 Broadway?

Mr. ALLENBERG. By myself, and at 1482 Broadway I practiced by myself. That is up at Forty-second Street.

The CHAIRMAN. And you represented Erickson when you were in New York?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. How long did you represent him up there?

Mr. ALLENBERG. About 2 years, I think.

The CHAIRMAN. How about these other people that stayed at your hotel from New York, part of the so-called New York syndicate or gang?

Mr. ALLENBERG. Senator, I never represented any of them.

The CHAIRMAN. What difficulty was it that you got into in the practice of law?

Mr. ALLENBERG. I didn't get into any difficulties.

The CHAIRMAN. You didn't?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Are you still a member of the New York Bar?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Didn't have any disbarment proceedings?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. And did you have a successful practice when you came down here?

Mr. ALLENBERG. Fair.

The CHAIRMAN. Erickson got you to come down?

Mr. ALLENBERG. I came down here representing him; yes, sir.

The CHAIRMAN. And you just pulled up from the law practice?

Mr. ALLENBERG. It didn't just come about that way. When I came down here, it was part of the agreement that somebody was to counter-sign the checks of the company until the mortgage was paid back, and he asked me if I was agreeable to staying down here for a few months, and the first thing I knew I took over the handling of all the business of the track, so it didn't take long until I was manager of the race track, and after everything else, I decided to stay down here.

The CHAIRMAN. Wouldn't you consider yourself in this situation; that you are kind of a front for the gang ever since that time?

Mr. ALLENBERG. I never thought so, Senator.

The CHAIRMAN. In other words, when they want to have some operations come in in Miami or Miami Beach or in this part of Florida, you get things arranged for them and you are the one they get in touch with?

Mr. ALLENBERG. No, sir; that is not so.

The CHAIRMAN. How do you account for the fact that so many of these people stayed at your hotel and when you went to another hotel they moved with you?

Mr. ALLENBERG. Not so many. Only the men in association with Erickson came to my hotel. Nobody else came, and at the Hotel

Wofford they came there because of those fellows that were there—King and Carfano—that is why they came there.

The CHAIRMAN. You didn't know King was a criminal when you went into partnership with him?

Mr. ALLENBERG. No, sir; I did not.

The CHAIRMAN. When you found out, did you terminate the partnership?

Mr. ALLENBERG. As soon as I could; I did.

The CHAIRMAN. It had been well known for quite some time, hadn't it?

Mr. ALLENBERG. Not generally; no.

The CHAIRMAN. He was a pretty big criminal?

Mr. ALLENBERG. No, sir. This is 1945-46 when I got out of the Wofford Hotel.

The CHAIRMAN. When Erickson made his first trip to Florida, he looked around and guided these people to you for you were his lawyer and he wouldn't leave them in the dark.

Mr. ALLENBERG. These men didn't all come in there at once. They lived there at different times in the season. Maybe in February there might be 10 or 15. King was supposed to have had a good reputation so far as I was concerned, from the inquiries I made about him.

The CHAIRMAN. Where did you make those inquiries? Did you ask Erickson if he had heard of King?

Mr. ALLENBERG. I didn't know King when I went there.

The CHAIRMAN. When did you first learn who he was?

Mr. ALLENBERG. I didn't learn anything about King until maybe a couple of years ago and these gentlemen started to make revelations about him.

The CHAIRMAN. Didn't you know these people were all racketeers?

Mr. ALLENBERG. No, sir. I knew they were in the gambling business, but I didn't know they were racketeers.

The CHAIRMAN. You think it was just a coincidence, then, that they all gathered at the Boulevard Hotel?

Mr. ALLENBERG. They didn't gather in the Boulevard Hotel. You mean the Wofford.

The CHAIRMAN. I mean the Wofford Hotel.

Mr. ALLENBERG. It is not a coincidence. They were drawn there by those other two men that I was associated with, and that I didn't know.

The CHAIRMAN. You knew that they all gambled up there together for tremendous stakes, didn't you?

Mr. ALLENBERG. Occasionally, they would.

The CHAIRMAN. How much would the stakes be in those games?

Mr. ALLENBERG. Senator, it might run from \$500 to \$5,000. I never saw a game that went on up there. I never went into a room.

The CHAIRMAN. Was that poker?

Mr. ALLENBERG. It could be poker or gin.

The CHAIRMAN. All bunched around there?

Mr. ALLENBERG. Erickson didn't stay around there.

The CHAIRMAN. Who were some of the boys?

Mr. ALLENBERG. Carfano, King, and some of these other fellows whose names and pictures you have there.

The CHAIRMAN. Did Adonis hang around?

Mr. ALLENBERG. Not much; only occasionally.

The CHAIRMAN. Did you have a special room for him?

Mr. ALLENBERG. No, sir; we did not.

The CHAIRMAN. Massei?

Mr. ALLENBERG. He never lived at the hotel.

The CHAIRMAN. Did he come to see the boys?

Mr. ALLENBERG. Once in a while he would come around.

The CHAIRMAN. Mr. Halley?

Mr. HALLEY. Do you know that Massei is running the dope racket in Miami? Did you ever hear that?

Mr. ALLENBERG. No, sir; I never heard it. I don't know that there is any dope racket in Miami or Miami Beach.

Mr. HALLEY. There is dope sold in Miami?

Mr. ALLENBERG. If there is I don't know it.

Mr. HALLEY. You don't know Massei has anything to do with it?

Mr. ALLENBERG. No, sir; I don't.

The CHAIRMAN. Who all have we got in these games?

Mr. ALLENBERG. I am just surmising, telling you the fellows that sat around.

The CHAIRMAN. Let's see. We first have Massei, Carfano, who else?

Mr. ALLENBERG. King.

The CHAIRMAN. Who else?

Mr. ALLENBERG. I don't know, Senator, who might play cards.

The CHAIRMAN. Joe Adonis?

Mr. ALLENBERG. No, he was not around the hotel.

The CHAIRMAN. Let's get some more names in those big games. You would know who was in them. Was Erickson?

Mr. ALLENBERG. No, sir; he never played with those men. He was not friendly with those men.

The CHAIRMAN. Who was his auditor?

Mr. ALLENBERG. They didn't gamble at cards. These men that I have identified—

The CHAIRMAN. Of the people you say were guests at your hotel, would most of them play in the games?

Mr. ALLENBERG. I imagine most of them would gamble.

The CHAIRMAN. Do you know that?

Mr. ALLENBERG. I don't know. That was my supposition.

The CHAIRMAN. That is all from me right now.

Mr. HALLEY. May I ask one question: Do you know Bill Johnston?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. He just left Miami and is reported to have gone to Europe; do you know that?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. He is reported to have been quite a fixer; did you ever know that?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. It is stated that he is the man who had arranged the games that were run without being shut down. Had you ever heard that?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. Not even by reputation?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. Did you ever give a party or dinner at which A. C. Caraway and Bill Johnston and a lot of other people were enter-

tained by you? Also by Straus, J. D. Thornton, possibly in connection with that Democratic dinner?

Mr. ALLENBERG. Might have, but I don't remember. I don't recall.

Mr. HALLEY. Will this memorandum refresh your recollections?

Mr. ALLENBERG. These are just people that I was to see. I was on a trip. This man was in Detroit and I was going to Detroit. These are names of people I know.

E. E. Hoff is an automobile dealer. H. L. Straus was in Baltimore, and Caraway—I might want to drop them postal cards or might want to stop and see them or get in touch with them when I get away.

Mr. HALLEY. Who did you call on when you got to New Orleans?

Mr. ALLENBERG. I have never been in New Orleans for more than 2 days in my life.

The CHAIRMAN. Who did you call on there?

Mr. ALLENBERG. The Roosevelt Hotel.

The CHAIRMAN. What did you go over there for?

Mr. ALLENBERG. I was on my way to California, driving through.

The CHAIRMAN. You didn't go to New Orleans and come back here and then go on to New York on one occasion?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Do you know the gambling interests in New Orleans?

Mr. ALLENBERG. I have heard about it.

The CHAIRMAN. Do you know any of them?

Mr. ALLENBERG. Kastel and Costello were supposed to be there.

The CHAIRMAN. Do you know Phil Kastel?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Where did you know him?

Mr. ALLENBERG. He used to come to the Wofford Hotel.

The CHAIRMAN. Did you see him when you were in New Orleans?

Mr. ALLENBERG. I went there the night I was there and there was once I saw him. I was there two or three, but I didn't see him. I didn't see him there. I went to the club.

The CHAIRMAN. Does he see you when he comes here?

Mr. ALLENBERG. I haven't seen him in years.

The CHAIRMAN. Do you know Mickey Cohen?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Is there anything else, Mr. Halley?

Mr. HALLEY. I have nothing further.

The CHAIRMAN. That is all, Mr. Allenberg.

Mr. ALLENBERG. I want you to know that I have never been in any difficulties and I am not the man they come to in this area to do any fixing or for any gambling. I don't gamble myself.

The CHAIRMAN. The record shows what it shows.

Mr. ALLENBERG. These people stopped at my hotel.

The CHAIRMAN. And they are some of the people you have described to the committee.

I would say offhand that the people you have been associating with make a pretty bad appearance.

Mr. ALLENBERG. It is bad, but I didn't know their reputations.

The CHAIRMAN. You know their reputations now, don't you?

Mr. ALLENBERG. Yes, sir. For instance, you told me about the Teepee Grill—

The CHAIRMAN. We are very anxious to see whether there is any improvement in the situation down here.

I want to say frankly that I think a good deal of the distress here is of the kind that you have aided and abetted and you have been a pretty close cog in the wheels of a good deal of it.

What is going to happen in the future is going to be a matter of a great deal of interest.

That is all. Thank you.

TESTIMONY OF WALTER CLARK, SHERIFF, BROWARD COUNTY, FLA.

The CHAIRMAN. Do you solemnly swear that the testimony that you will give the committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. CLARK. I do.

The CHAIRMAN. I have one or two preliminary questions I want to ask, Sheriff Clark.

What is your first name?

Mr. CLARK. Walter.

The CHAIRMAN. And you live at Fort Lauderdale?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Is that Broward County?

Mr. CLARK. Yes, sir.

The CHAIRMAN. How old are you, Sheriff?

Mr. CLARK. I am 46.

The CHAIRMAN. When were you first elected sheriff?

Mr. CLARK. In 1932.

The CHAIRMAN. In 1932?

Mr. CLARK. I was elected to the State office in 1933.

The CHAIRMAN. You have been sheriff how often since that time?

Mr. CLARK. All the time.

The CHAIRMAN. Ever since 1933?

Mr. CLARK. Yes, sir.

The CHAIRMAN. What did you do before you were the sheriff?

Mr. CLARK. I was in the meat business; in the grocery business.

The CHAIRMAN. Sheriff, under the laws of Florida, in connection with illegitimate or illegal gaming and operations outside of the law, what is the law of Florida about your duties as to closing them up? Do you have to wait until you get a notice or complaint, or is it your responsibility to go out and do something about it on your own?

Mr. CLARK. If we have a complaint or anything like that, we are supposed to look after it.

The CHAIRMAN. In the absence of complaints, if you know or have reason to believe that certain transactions are taking place that are illegal, is it your duty to do it?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Sheriff, we have abundant testimony that over a period of quite a number of years numbers of places have been operating openly in your county?

Mr. CLARK. Yes, sir.

The CHAIRMAN. And they are being operated by people who are operating in interstate commerce by bookmaking and laying off bets;

certain members of gangs who have come down and are operating in your county. Have you had knowledge of those matters?

Mr. CLARK. I haven't had any knowledge of any gambling.

The CHAIRMAN. I mean of gambling operations.

Mr. CLARK. I have no knowledge of that.

The CHAIRMAN. Is the Colonial Inn in your county?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Is that operating now?

Mr. CLARK. No, sir.

The CHAIRMAN. Is Greenacres operating?

Mr. CLARK. No, sir.

The CHAIRMAN. How long did it operate?

Mr. CLARK. They operated some several seasons.

The CHAIRMAN. Does the record show about when Greenacres operated?

Mr. HALLEY. Greenacres operated up to about 1947; didn't it? Is it operating today?

Mr. CLARK. No.

The CHAIRMAN. Did it close down when the season was over?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Sheriff, our question is: If Greenacres operated last season, the season before, and the season before and prior to that time, and if Colonial Inn operated, how come you let them operate?

Mr. CLARK. I was elected on the liberal ticket, and the people want it and they enjoy it.

The CHAIRMAN. So, you just nod your head or wink your eyes at them?

Mr. CLARK. I let them have what they want for the tourists down here.

Mr. HALLEY. What do you mean by the "liberal ticket"? Did it say on the ballot that you were going to allow gambling to go on?

Mr. CLARK. No.

Mr. HALLEY. Who are the people that wanted the gambling? What do you mean by that?

Mr. CLARK. The majority of the people expressed their opinions.

Mr. HALLEY. How did they know that yours was a liberal ticket? Don't you think they may have thought that you were going to run an honest administration and stop things that were against the law? How did the majority of the people know that yours was the liberal ticket? Did you go around in your campaigns and tell everybody you were for open gambling?

Mr. CLARK. No, sir.

Mr. HALLEY. What do you mean by being elected on a liberal ticket. I think that kind of answer is an insult to the committee.

Mr. CLARK. The people know that I am more or less liberal-minded.

Mr. HALLEY. What people know it? Do the people who have a job and work and pay taxes and who don't go to expensive gambling houses know it?

Mr. CLARK. Yes, sir.

Mr. HALLEY. How do they know it? Do you advertise that you don't enforce the law?

Mr. CLARK. I don't do that.

Mr. HALLEY. Did you ever take before the people the issue whether you should allow gambling to be open or closed?

Mr. CLARK. The newspapers more or less carried it as an issue up there.

Mr. HALLEY. At the election or before the election?

Mr. CLARK. Yes, sir.

Mr. HALLEY. And you were elected anyhow?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Do you make any report to the attorney general of Florida as to what the places are that are operating?

Mr. CLARK. No, sir.

Mr. HALLEY. Did he call on you to close down any of these places—I mean the attorney general of Florida?

Mr. CLARK. He called on me this winter.

Mr. HALLEY. Did you close them down?

Mr. CLARK. Yes, sir.

The CHAIRMAN. When?

Mr. CLARK. I don't know what date it was. Somewhere around the first of the year, I believe.

The CHAIRMAN. Are Roscoe machines—these one-armed bandits—illegal under the Florida law?

Mr. CLARK. No, sir.

The CHAIRMAN. They are not in public places.

Mr. CLARK. I don't know what you mean.

The CHAIRMAN. Where you put a quarter in, pull a lever, and you might get something back and you might not.

Mr. CLARK. In money or the horse races?

The CHAIRMAN. No; I am talking about the——

Mr. CLARK. No; they are not.

The CHAIRMAN. They are illegal.

Mr. CLARK. Yes; they are illegal.

The CHAIRMAN. Your county is pretty full of them?

Mr. CLARK. No, sir.

The CHAIRMAN. In the stores?

Mr. CLARK. No, sir.

The CHAIRMAN. Hotels?

Mr. CLARK. No, sir.

The CHAIRMAN. Do you know Frank Erickson?

Mr. CLARK. No, sir; I don't

The CHAIRMAN. Never met him?

Mr. CLARK. Never have; no, sir.

The CHAIRMAN. Do you know any of the fellows that operate the Colonial Inn or Greenacres?

Mr. CLARK. I know Jack Lansky.

The CHAIRMAN. You knew what he was doing?

Mr. CLARK. I knew he was running a place down there.

The CHAIRMAN. How long have you known him?

Mr. CLARK. Since he has been running it down here.

The CHAIRMAN. Sheriff, do these people pay you off?

Mr. CLARK. No, sir.

The CHAIRMAN. Do they contribute to your campaign?

Mr. CLARK. They contribute to the campaign.

The CHAIRMAN. Did Jack Lansky?

Mr. CLARK. The boys in the south end handle the campaign.

The CHAIRMAN. What do you mean "the boys in the south end"?

Mr. CLARK. I have friends down there, and they go to these fellows and they contribute to the campaign.

The CHAIRMAN. How much do they contribute?

Mr. CLARK. I don't know. I never asked and never looked to see.

The CHAIRMAN. Who is the head of your organization in the south end?

Mr. CLARK. Mr. Lewis handles that.

The CHAIRMAN. What is his first name?

Mr. CLARK. Charlie.

The CHAIRMAN. Is he the fellow that got the money?

Mr. CLARK. I suppose it was; yes.

The CHAIRMAN. Do you have any idea how much he got?

Mr. CLARK. No; I don't know.

The CHAIRMAN. \$500, \$10,000?

Mr. CLARK. I don't know.

The CHAIRMAN. Don't you get around when you are preparing your campaign and see how much you are going to need and sort of figure where you are going to get it?

Mr. CLARK. It all depends on what it is going to cost.

The CHAIRMAN. What did your campaign cost you? What did you spend on your last campaign?

Mr. CLARK. I don't know what we did spend.

The CHAIRMAN. You have an idea, Sheriff, of what you spent.

Mr. CLARK. We had this campaign committee, and I never asked them what they spent. I don't know what they did spend.

The CHAIRMAN. You have amassed a good deal of property; haven't you?

Mr. CLARK. Not so very much; no, sir.

The CHAIRMAN. Don't you own quite a number of business properties in Fort Lauderdale?

Mr. CLARK. No, sir.

The CHAIRMAN. How many?

Mr. CLARK. I got my home where I live. I got a little farm.

The CHAIRMAN. How little a farm?

Mr. CLARK. About 100 acres.

The CHAIRMAN. Don't you own a business property in Fort Lauderdale, or an interest in one?

Mr. CLARK. Yes, sir.

The CHAIRMAN. What is that?

Mr. CLARK. It is a garage and filling station.

The CHAIRMAN. On the main street?

Mr. CLARK. On the Federal Highway; yes, sir.

The CHAIRMAN. Who is your associate in that?

Mr. CLARK. My brother.

The CHAIRMAN. What is his first name?

Mr. CLARK. Robert.

The CHAIRMAN. How much did you pay for that business?

Mr. CLARK. I would have to check with him.

The CHAIRMAN. About how much? \$25,000? \$50,000?

Mr. CLARK. I guess around maybe \$30,000. I couldn't be positive.

The CHAIRMAN. Do you own any other business?

Mr. CLARK. No, sir.

The CHAIRMAN. Or any interest in any other business?

Mr. CLARK. I got a little farm land.

The CHAIRMAN. How much did you pay for that?

Mr. CLARK. \$16 an acre.

The CHAIRMAN. How many acres?

Mr. CLARK. I got about 200 acres.

The CHAIRMAN. About \$32,000?

Mr. CLARK. No.

The CHAIRMAN. \$3,200; is that what you paid for it?

Mr. CLARK. Something like that.

The CHAIRMAN. Is it an orange grove?

Mr. CLARK. No; just farm land.

The CHAIRMAN. Do you have any other business interest?

Mr. CLARK. Farm land—nothing but farm land and stuff like that.

The CHAIRMAN. What is this "stuff like that"? You would know if you had some other business interests. You said you had your home, half an interest in a filling station, and you have 200 acres of farm land for which you paid \$16 an acre, and what else?

Mr. CLARK. I got some stock in Rib-N-Rite Co.

The CHAIRMAN. What type of company is that?

Mr. CLARK. They started making attachments for typewriters.

The CHAIRMAN. Is it an operating concern now?

Mr. CLARK. No, sir.

The CHAIRMAN. Has it gone out of business?

Mr. CLARK. It is in the hands of the court now.

The CHAIRMAN. In the hands of a receiver?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Do you own any other real estate?

Mr. CLARK. I own a lot. I would have to correct the record; maybe one or two little lots.

The CHAIRMAN. Are they valuable lots?

Mr. CLARK. No, sir.

The CHAIRMAN. Not valuable?

Mr. CLARK. No, sir.

The CHAIRMAN. How about any buildings? Do you own any buildings?

Mr. CLARK. No, sir.

The CHAIRMAN. What is the salary of the sheriff of Broward County?

Mr. CLARK. \$7,500 a year.

The CHAIRMAN. Do you make anything extra on fees? Or is it a straight-salary basis?

Mr. CLARK. Fee basis.

The CHAIRMAN. In addition to that, do you get a certain amount for fees?

Mr. CLARK. I get all over a certain amount in fees.

The CHAIRMAN. Plus the \$7,500?

Mr. CLARK. Yes, sir.

The CHAIRMAN. What does the total salary usually run then? The salary, the fees, and the amounts you make out of the office?

Mr. CLARK. I would have to check my records.

The CHAIRMAN. Over an average year you have some idea about what it was.

Mr. CLARK. I think my income was anywhere from \$15,000 to \$35,000.

The CHAIRMAN. That is from the office of sheriff, or is that all of your income?

Mr. CLARK. That is all of it.

The CHAIRMAN. How about the office of sheriff? You get \$7,500 salary and then fees for different things; I suppose turnkey fees and things of that sort?

Mr. CLARK. Yes, sir.

The CHAIRMAN. What does that amount to?

Mr. CLARK. It varies. Some years I will make more than I will in others.

The CHAIRMAN. Let's say last year.

Mr. CLARK. Last year I didn't make very much.

The CHAIRMAN. How much?

Mr. CLARK. I don't know. I would have to check and see.

The CHAIRMAN. How many gambling places operated in Broward County last year during the season?

Mr. CLARK. Three or four.

The CHAIRMAN. How about bookmaking operations? Did you do anything to try to check them?

Mr. CLARK. We closed them this winter.

The CHAIRMAN. After some State law was passed or after the Governor issued an order about it?

Mr. CLARK. The attorney general.

The CHAIRMAN. How many did you have operating up to that time?

Mr. CLARK. I don't know.

The CHAIRMAN. What would be your best guess?

Mr. CLARK. I guess four or five of them places.

The CHAIRMAN. Along on the main street where anybody could go in?

Mr. CLARK. In the city limits I usually let the county and city police handle it.

The CHAIRMAN. Isn't it your responsibility as sheriff of the county?

Mr. CLARK. Yes; the same as it is their responsibility in the city. However liberal the commissioners want it, that is what we are.

The CHAIRMAN. By "liberal," you mean how open they want it?

Mr. CLARK. Yes, sir.

The CHAIRMAN. That is what you let them go on?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Do you feel that the people over there elected you on an open-town platform?

Mr. CLARK. Yes, sir.

The CHAIRMAN. You have been doing that since 1933?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Suppose one of these fellows wants to set up a place like Greenacres or Colonial Inn or an operation of that kind, do they come and get in touch with you or some of your representatives to make arrangements about it?

Mr. CLARK. They usually go to the official—they don't make arrangements.

The CHAIRMAN. You say they get some officials?

Mr. CLARK. I mean, the city wants it liberal.

The CHAIRMAN. You mean he gets in touch with some of the city officials about opening up?

Mr. CLARK. I don't know whether they get in touch with the city officials.

The CHAIRMAN. Do they get in touch with you?

Mr. CLARK. No, sir.

The CHAIRMAN. Did Lansky get in touch with you when he opened Colonial Inn?

Mr. CLARK. No, sir.

The CHAIRMAN. Or any of his representatives?

Mr. CLARK. I don't know.

The CHAIRMAN. Do you know Mr. Allenberg down here?

Mr. CLARK. Yes, sir.

The CHAIRMAN. At the Wofford Hotel?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Did he come up to see you about opening up any of these places?

Mr. CLARK. No, sir.

The CHAIRMAN. How well do you know Mr. Allenberg?

Mr. CLARK. I have known him occasionally—seen him off and on. We had a convention in his hotel a few years ago.

The CHAIRMAN. Any other questions, Mr. Halley?

Mr. HALLEY. I want to know a little bit more about the liberal ticket. You say the newspapers accused you of allowing the city to be run wide open, or the county?

Mr. CLARK. Yes, sir.

Mr. HALLEY. That was the opposition crowd?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Did you issue a statement saying, "Of course, I am going——"

Mr. CLARK. No.

Mr. HALLEY. Did you deny it?

Mr. CLARK. No, sir.

Mr. HALLEY. If we checked the records, would we find that you made a speech or issued a statement denying charges that you failed to enforce the law?

Mr. CLARK. I don't think you would.

Mr. HALLEY. You never denied those charges?

Mr. CLARK. Not that I remember.

Mr. HALLEY. Never admitted it or denied it. You just let it ride?

Mr. CLARK. Not that I remember.

Mr. HALLEY. What did you say in your campaign? Did you make some speeches?

Mr. CLARK. I made one speech.

Mr. HALLEY. Did you say anything about gambling in your speech?

Mr. CLARK. No, sir.

The CHAIRMAN. What did you say, Sheriff?

Mr. CLARK. Just told them that I was—I thought I had done a good job as sheriff of the county.

The CHAIRMAN. Told them that you were healthy?

Mr. CLARK. Told them a few of the things I had done for them.

The CHAIRMAN. But you didn't say anything one way or the other about gambling?

Mr. CLARK. No, sir.

The CHAIRMAN. Did your opponent?

Mr. CLARK. He did.

The CHAIRMAN. How much did you win by?

Mr. CLARK. I think I beat two men by somewhere around 1,500 votes.

The CHAIRMAN. Out of how many votes?

Mr. CLARK. I guess it was—I can't say positive—maybe 18,000 or 20,000 votes, I guess.

Mr. HALLEY. Did you provide deputies to protect these gambling houses?

Mr. CLARK. No, sir.

Mr. HALLEY. There are no deputy sheriffs?

Mr. CLARK. No, sir.

Mr. HALLEY. Are there any stationed in any of the gambling houses?

Mr. CLARK. No, sir.

Mr. HALLEY. Do they all contribute to your campaign?

Mr. CLARK. I don't know.

Mr. HALLEY. Did the people who run Greenacres contribute?

Mr. CLARK. I couldn't say. I didn't go to them and ask them myself.

Mr. HALLEY. What do you think?

Mr. CLARK. I couldn't tell you.

Mr. HALLEY. Have you ever been to Greenacres, or have you walked into the place?

Mr. CLARK. No.

Mr. HALLEY. The Boheme Club?

Mr. CLARK. I was down there at some charity affair sometime.

Mr. HALLEY. Were you ever in the Colonial Inn? That is, before it gave up its gambling operations?

Mr. CLARK. We were down at a couple of charity affairs sometimes.

Mr. HALLEY. Prior to the charity affairs, is it your testimony that you never entered the premises of Greenacres or besides those affairs?

Mr. CLARK. I don't believe I was ever in there unless I went down after somebody; I don't remember.

Mr. HALLEY. Did you consider it your duty as sheriff of the county to at least find out what was going on in a place that was notoriously engaging in gambling, even if you were liberal?

Mr. CLARK. I never had any complaints on it.

Mr. HALLEY. You knew gambling was going on?

Mr. CLARK. Yes, sir.

Mr. HALLEY. You didn't even care to find out what it was like?

Mr. CLARK. No.

Mr. HALLEY. And the same applies to Club Boheme? And to the Colonial Inn?

Mr. CLARK. Never went in them.

Mr. HALLEY. Was there gambling at the charity affairs?

Mr. CLARK. No, sir.

Mr. HALLEY. Just eating and entertainment?

Mr. CLARK. Yes, sir.

Mr. HALLEY. During those charity affairs, was gambling going on in the other rooms?

Mr. CLARK. No, sir.

Mr. HALLEY. You would say that you have never personally witnessed any gambling in any of those places such as Club Boheme, Colonial Inn, or Greenacres?

Mr. CLARK. Yes, sir.

Mr. HALLEY. That is your specific testimony?

Mr. CLARK. Yes, sir.

Mr. HALLEY. I have no other questions.

The CHAIRMAN. Thank you, Sheriff. Do you want to make an additional statement?

Mr. CLARK. I closed up Greenacres one time.

The CHAIRMAN. When was that?

Mr. CLARK. Two or three years ago.

The CHAIRMAN. What did you do that for?

Mr. CLARK. On some complaints.

The CHAIRMAN. They got a little rowdy, did they?

Mr. CLARK. I had some complaints from somebody.

The CHAIRMAN. Didn't they open right up after that?

Mr. CLARK. I don't remember.

The CHAIRMAN. You just closed them up for a short time?

Mr. CLARK. I don't remember whether they were closed for the rest of the season or not.

The CHAIRMAN. All right, Sheriff. Thank you.

Mr. HALLEY. The stenographer is specifically instructed to keep the notes and any extra copies of the testimony in a secure place under lock and key, and to advise the committee of the total number of copies which are made and the location of any extra copies and of the notes.

The stenographer is further instructed not to divulge any copies of the testimony except with the permission of the committee in writing.

The committee will require one copy of the record, for which the committee is to be billed at the price agreed.

(Whereupon, at 5:50 p. m., the hearing was adjourned subject to call of the chairman.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

THURSDAY, JULY 13, 1950

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Miami, Fla.

The committee met in the courtroom of the United States district court, Miami, Fla., on July 13, 1950, Senator Estes Kefauver (chairman), presiding.

Present: Senators Kefauver and Hunt.

Also present: Rudolph Halley, chief counsel; Alfred Klein, associate counsel; Downey Rice, associate counsel; William Garrett, associate counsel; Harold G. Robinson, chief investigator; Ralph W. Mills, investigator; Daniel P. Sullivan, operating director; and Col. J. R. Younger, president of the Crime Commission of Greater Miami.

The CHAIRMAN. The committee will come to order.

Ladies and gentlemen, this is a duly constituted hearing of the United States Senate Special Committee To Investigate Organized Crime in Interstate Commerce, pursuant to Senate Resolution 202, Eighty-first Congress, second session, which vests in this committee the following authority, and for the benefit of the interested people and the public it might be well to read the resolution under which this committee operates. It is very brief. It requires the committee—

to make a full and complete study and investigation of whether organized crime utilizes the facilities of interstate commerce or otherwise operates in interstate commerce in furtherance of any transactions which are in violation of the law of the United States or of the State in which the transactions occur, and, if so, the manner and extent to which, and the identity of the persons, firms, or corporations by which such utilization is being made, what facilities are being used, and whether or not organized crime utilizes such interstate facilities or otherwise operates in interstate commerce for the development of corrupting influences in violation of the law of the United States or of the laws of any State: *Provided, however,* That nothing contained herein shall (1) authorize the recommendation of any change in the laws of the several States relative to gambling, (2) effect any change in the laws of any State relative to gambling, or (3) effect any possible interference with the rights of the several States to prohibit, legalize, or in any way regulate gambling within their borders. For the purposes of this resolution, the term "State" includes the District of Columbia or any Territory or possession of the United States.

With reference to the jurisdiction of the committee, it will be seen that if there is any violation of the laws of the United States or of the several States involving interstate commerce, there is jurisdiction in this committee.

In the hearings of the committee, the question of jurisdiction will not be considered from purely the matter of the particular hearing at the place where it is being had—that is, in hearings in other parts—in Washington and elsewhere—the committee has developed and unquestionably will develop to a greater extent matters which relate to interstate transactions in which Florida operations and people are involved.

So, in case the matter should come up as to the question of contempt proceedings or anything of that sort, the over-all picture developed by the committee will be considered relative to its jurisdiction.

It must be apparent, however, that while the committee has very wide jurisdiction to make its investigation, this is not a prosecuting committee. We are not a court for the purpose of inflicting penal punishment upon anyone.

The purpose of the committee is, of course, as with any legislative committee, to find out what the facts are with reference to whether the laws of the Federal Government are adequate, whether they need changing, or whether any amendments or additional laws should be passed.

Of course, it is the hope of this committee also to make it clear that we cannot possibly investigate every criminal in the United States or every criminal transaction. If we did so, we could, of course, spend a great deal of time and go to many places in the country.

We wish to call your attention to the fact that this committee is composed of five very busy Members of the United States Senate, and the staff of the committee, or most of them, are doing what they are as a matter of public service rather than for compensation.

So we are anxious to do our job as thoroughly as we can and make our report to the Senate. We will try to get a thorough, accurate, and over-all picture of the big aspects of the problem that we are investigating, and the rest is the responsibility and job of the local people, the local law-enforcement people and officers, and people who want and are interested in good government.

As to the work of this committee, any laws that the Federal Government may pass cannot, of course, give you law enforcement or eliminate criminal activities unless the local people want to have it done and are willing to see that they have law-enforcement officers and governmental officials who will insist that it be done.

We are not setting ourselves up in competition with any law-enforcement officers, the Department of Justice, the local-enforcement officers, or the State of Florida.

Our hope is that we can work in cooperation with and be of assistance to these enforcement agencies, and that we may be able to present to the public the tremendous importance of the over-all crime picture as it affects the daily lives of the people of our country.

In that connection it may be appropriate to state that the best evidence we have is that the take from crime, gambling, and other corrupting influences from the American people per year—and it has to be a rather wild guess—is somewhere between 15 and 22 billion dollars.

That is, of course, a great deal more than we are spending on our armed services and our Armed Forces today.

The second part of the jurisdiction of this committee is to see what, if any, corrupting influences, are at work upon law-enforcement officers and people in government generally.

In the long run, it is, of course, necessary to first establish—and that will be done either here or in hearings in other parts of the country—that there have been violations; that there is a stream of crime in interstate commerce, and then from that point the committee has jurisdiction to see what, if any, corrupting influences may have resulted or may have come along as protection in order that such crime might take place.

It is not, however, our prerogative, unless that is established or unless we know that it is going to be established, to get into the matter of local politics, State, county, or city.

We are not charged with the job of investigating the purity or lack of purity in local political matters unless it comes within the first major premise.

The present hearing is that of a subcommittee which is duly constituted as consisting of the chairman of the committee and Senator Lester C. Hunt, of Wyoming. Such subcommittee is designated pursuant to a resolution duly adopted by a quorum of the full committee at a committee meeting held in Washington, D. C., on July 11, 1950. Said resolution, which is hereby made a part of the minutes of this meeting, reads as follows:

Be it and it is hereby resolved, That the chairman be and he hereby is authorized to designate subcommittees for the purpose of holding hearings at Miami, Fla., on July 13 and 14, 1950; at St. Louis, Mo., on July 18, 1950; and at Kansas City, Mo., on July 19 and 20, 1950, or at such other time as the chairman may specify; and, that, one member of the subcommittee so designated shall constitute a quorum for the purpose of conducting such hearings, administering the oath, and taking testimony of witnesses appearing before it, and taking such other action as may be appropriate.

At the outset I desire to state that this committee, through a duly constituted subcommittee, held executive hearings in Miami, Fla., on May 26 and May 27, 1950, at which 13 witnesses were heard and certain documents were subpoenaed.

Thereafter, through its investigative staff, the committee continued to make investigation in Miami, Fla., and in Dade County and Broward County, Fla. The committee is now ready to hear certain witnesses with reference to certain of the facts developed in this investigation.

However, it is important that it be made clear at this point that these hearings are a portion of a continuing investigation of organized crime in Dade and Broward Counties and elsewhere. Certain witnesses upon whom the committee has attempted to serve subpoenas cannot be found at their usual residences and places of business. These include:

Sam Cohen, Harold Salvey, Charles Friedman, Edward Rosenbaum, Jules Levitt, Harry Russell, George L. Bowers, William H. Johnston, John Patton, Sr., and Jack Friedlander.

These witnesses may be under the mistaken impression that by remaining away from their usual places of abode they can impede or avoid the investigation of this committee. The committee hereby serves notice upon them that any such impression is entirely erroneous. The committee hearings will continue here at this time and in Wash-

ington and in other places hereafter. The committee will hear at this time as many as possible of the considerable number of witnesses who will appear before it. The committee will seek out any witnesses upon whom it has not been able to effect service of this lawful process and these witnesses will be found and brought before this committee to testify.

Let me say by way of explanation that Mr. Sam Cohen had an operation and is in the hospital and he has expressed a willingness to testify when he is able to do so.

The chairman and the committee have checked with the people who have undertaken to serve subpoenas upon the other witnesses. A diligent effort has been made to locate them. It is inconceivable that they do not know they are desired for appearance before this committee. The only impression or conclusion that must be drawn from their refusal to appear or to get in touch with the committee or with our staff is that they feel that they, by their absence, might be able to impede the investigation of this committee, or that they feel that it would be very bad for them for what they have done or the business they are engaged in for them to appear.

But in any event the subpoenas will remain outstanding for them, and if by any chance any of them have not heard they are wanted here, we hope that they will get in touch with us.

The press and radio have been very cooperative in carrying the message all over the Nation that these men are wanted.

They will not be able to permanently embarrass the committee and they are doing themselves no good by failing to cooperate. This, of course, makes it more difficult for the committee because these are important witnesses and in certain phases of our investigation we will necessarily, for the time being, have to resort to secondary evidence, whereas we would, of course, like to present more direct evidence.

The committee wishes at the outset to thank Judge Holland, the district judge, and Judge Whitehurst for their cooperation in making this courtroom available. They have arranged to hold trials and hearings at great inconvenience in other quarters in order to cooperate with the committee. We are very, very grateful to them.

We are grateful to Deputy Marshal Gates and his assistants for their cooperation and their help both at the executive hearings and at this hearing.

Many of the officials of the Government of Florida, Dade County, Miami, in this section, have been of tremendous assistance and have tendered their cooperation and we want to express our thanks to them; also to Col. Jack Younger, president of the Greater Miami Crime Commission, and to Dan Sullivan, and to the valiant citizens who have worked with that commission and backed it up. We want to thank them and pay a very high compliment to them for the work they have done. It has been invaluable to us.

Now, the rules of the game in this hearing will be that if any witness is called, necessarily some names will be used. Some people will be talked about and some charges will be made against people who are not present.

By screening the testimony at private hearings, we have tried to eliminate as much of that as possible. The committee does not wish to do any innocent citizens any harm. If inadvertently any harm is

done, we want to rectify it as quickly as possible. So that while we have a very full schedule, if any person whose name is used here or anywhere else in the country feels that he has been maligned or unjustly accused or represented, or if they want to make any explanation, or if they want to charge that any statement that has been made is untrue, the committee will hear them on the same day the statement is made, if they make application to the committee or to our staff, and give them an opportunity to make any explanation or to refute any charges that have been made. They can feel at perfect liberty to get in touch with any of us about it.

If any one of the witnesses wishes to have counsel present, counsel will be welcomed.

Ordinarily the rules of the committee provide that questions that counsel wish to ask shall be given to the committee. We will permit, within reasonable limitations, one's own counsel to ask questions, but of course we will have to limit the extent if it goes on too long.

I don't know whether we are going to be able to permit smoking over a long period of time or not. We will start off with permission to smoke. We may have to discontinue it.

The committee also wishes to thank the press for its cooperation and the press photographers. We want to have order and decorum in the committee and we don't want to have anyone embarrassed. We want to get the facts from the witnesses, so when a witness first appears on the witness stand, the photographers with their flashlight bulbs can take his picture, or during the time he is sworn, or just before he testifies or after he testifies. During the testimony I will have to ask that flashlight bulbs not be used. I am sorry if this inconveniences anyone, but some people find it very difficult to think and testify with bulbs flashing about.

Senator HUNT?

Senator HUNT. Mr. Chairman, I believe I have nothing in addition to what you have said. I think you have touched on all matters that need to be touched on before the opening of the hearing and I have nothing further to add.

The CHAIRMAN. Thank you, Senator Hunt. Does anyone have any brief questions he wants to ask about procedure?

(No response.)

The CHAIRMAN. If not, the resolution appointing this committee as a subcommittee to receive testimony will be made a part of the record.

(The resolution is as follows:)

RESOLUTION

Be it and it is hereby resolved, That the chairman be and he hereby is authorized to designate subcommittees for the purpose of holding hearings at Miami, Fla., on July 13 and 14, 1950, at St. Louis, Mo., on July 18, 1950, and at Kansas City, Mo., on July 19 and 20, 1950, or at such other time as the chairman may specify; and, that one member of the subcommittee so designated shall constitute a quorum for the purpose of conducting such hearings, administering the oath, and taking testimony of witnesses appearing before it, and taking such other action as may be appropriate.

The CHAIRMAN. Mr. Colman and Mr. Laiken and the others, will you please be sworn?

(Messrs. Henry E. Colman, Leonard Laiken, Irving Bakst, Gordon B. Girling, and Billy L. Pickett were sworn as official reporters for the subcommittee.)

The CHAIRMAN. Who is our first witness?

Mr. HALLEY. Mr. Walter Morris.

The CHAIRMAN. Our first witness is Mr. Walter Morris. Mr. Morris, will you come forward, please?

**TESTIMONY OF WALTER MORRIS, ASSISTANT DIRECTOR OF
COMMUNICATIONS, NATIONAL AIRLINES**

The CHAIRMAN. Mr. Morris, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. MORRIS. I do.

Mr. HALLEY. Mr. Morris, will you state your address and your occupation?

Mr. MORRIS. My address is 1947 Northwest Forty-eighth Street, Miami, Fla. I am employed by National Airlines as assistant director of communications.

Mr. HALLEY. Mr. Morris, did you serve on the grand jury for Dade County, Fla.?

Mr. MORRIS. Yes, sir; I served as foreman of the spring term grand jury for the period May 10, 1949, to November 7, 1949.

Mr. HALLEY. And did that grand jury issue a presentment?

Mr. MORRIS. It issued a final report to the court.

Mr. HALLEY. A report was presented to the court?

Mr. MORRIS. Yes.

Mr. HALLEY. And can you, as foreman of that grand jury, identify that report?

Mr. MORRIS. Yes.

Mr. HALLEY. Do you have a copy with you?

Mr. MORRIS. I have.

Mr. HALLEY. Mr. Chairman, I offer in evidence as exhibit No. 106 the grand jury report.

The CHAIRMAN. The grand jury report will be received and made a part of the record as exhibit No. 106 to the testimony of Mr. Morris. (See appendix, pp. 735-740.)

Mr. HALLEY. Will you summarize the findings of the grand jury of which you were foreman?

Mr. MORRIS. Well, we found in the testimony of witnesses whom we considered to be reliable that there appears to be quite a congregation of criminal elements in the Miami area, or in the south Florida area.

Mr. HALLEY. Did you find any crime condoned by local law-enforcement agencies?

Mr. MORRIS. Well, we found that crime existed, and that it would be difficult to believe that it could exist without the condonation of local law-enforcement agencies.

Mr. HALLEY. Did you have occasion to censure any law enforcement agency in Dade County?

Mr. MORRIS. I believe that we made some mention of the sheriff's office and their efforts to locate members of the jury, or rather to serve subpoenas for jury service, and we also had something to say about the city police department.

Mr. HALLEY. What did you have to say about the city police department?

Mr. MORRIS. It seemed that quite a bit of bickering and feuds existed in the police department.

Mr. HALLEY. Reading from page 7 of your report, did the grand jury conclude as follows:

If the people of Dade County desire that organized crime be destroyed, it can be destroyed. The facilities required are available in the choice of men they elect as sheriff and city commissioners.

Mr. MORRIS. Yes; we made such a statement.

Mr. HALLEY. Did you hear evidence to justify such a statement?

Mr. MORRIS. Yes.

Mr. HALLEY. Did you hear witnesses?

Mr. MORRIS. Yes.

Mr. HALLEY. Did you conclude that bookie operations were operating in the city of Miami and in the city of Miami Beach?

Mr. MORRIS. Yes.

Mr. HALLEY. And you heard witnesses who testified to this effect?

Mr. MORRIS. We did.

Mr. HALLEY. Did you hear testimony to the effect that Dade County was wide open to anybody desiring to visit well-appointed air-conditioned places set up for card games, dice games, roulette, and book-making?

Mr. MORRIS. We did.

Mr. HALLEY. Did you find that in Miami, Bolita and the numbers racket were flourishing?

Mr. MORRIS. Yes; they were.

Mr. HALLEY. Did you conclude that there appeared to be little effort made to curb these gambling operations, although they were being carried on under the eyes of the police?

Mr. MORRIS. Yes.

Mr. HALLEY. Now, Mr. Morris, did you find any evidence that this crime was on an organized basis by groups of organized criminals operating on a widespread basis?

Mr. MORRIS. Well, particularly in bookmaking, it would be very difficult to believe that the organization or the set-up that they had could exist unless it was conducted on an organized basis.

Mr. HALLEY. And did you have testimony to that effect?

Mr. MORRIS. Yes.

Mr. HALLEY. Did you have testimony to the effect that nationally known criminals and racketeers were finding a haven in Dade County?

Mr. MORRIS. We did.

Mr. HALLEY. And that these same criminals and racketeers were in charge of the crimes as to which you had testimony?

Mr. MORRIS. Yes.

Mr. HALLEY. Mr. Morris, is there anything further you would like to say about your findings and about the evidence before you to this committee?

Mr. MORRIS. Well, it would appear to us that it would be very difficult for local law enforcement agencies to cope with some of these things when they cross State lines, and there was evidence presented to us which indicated that in many cases the criminal activity in one location is being conducted more or less from a remote point, at a headquarters, so to speak, which in many cases exist outside the community, outside the county, and even in a different State.

Mr. HALLEY. Do you have any recommendations you would want to make to this committee?

Mr. MORRIS. Being a layman I wouldn't feel that I was competent to make recommendations for the enactment of legislation necessary to control this, but I do feel that there is a definite need for it.

Mr. HALLEY. As a grand jury, your function was to find facts?

Mr. MORRIS. Yes.

Mr. HALLEY. And you heard evidence and on this evidence you did find facts?

Mr. MORRIS. Yes.

Mr. HALLEY. I have no further questions, Mr. Chairman.

The CHAIRMAN. Mr. Morris, what is your occupation? What do you do?

Mr. MORRIS. I am an airlines communications man.

The CHAIRMAN. This report was made in the spring of 1949 or in the summer of 1949?

Mr. MORRIS. The jury was impaneled in the spring of 1949 and the report was submitted on November 7, 1949.

The CHAIRMAN. And there had been a previous grand jury which made a report in 1947 or 1948?

Mr. MORRIS. Yes.

The CHAIRMAN. It is stated here that your report is a repetition of what is contained on the subject in the admirable report of the grand jury for the winter term of 1947.

Mr. MORRIS. Yes.

The CHAIRMAN. So the conditions that you found have apparently been going on for some time?

Mr. MORRIS. Apparently so.

The CHAIRMAN. Mr. Morris, what indictments, did you return against any of these gamblers?

Mr. MORRIS. We returned no indictments against them.

The CHAIRMAN. Isn't the province of a grand jury to ferret out violators of the law and return indictments against them?

Mr. MORRIS. It is.

The CHAIRMAN. Why couldn't you do that?

Mr. MORRIS. Well, the grand jury was handicapped by many things. Our grand jury was somewhat confused by the enactment of certain State legislation intended to strengthen the system which actually placed some doubt as to our legal status.

The CHAIRMAN. Do you mean by "State legislation" whether you had jurisdiction in the county or whether the State had jurisdiction?

Mr. MORRIS. No. The legality of the jury itself was in question for a while. It is very difficult for a local grand jury to get evidence against people who are operating through several States. After all, we are here in one place, and it is very difficult to follow leads which disappear across State boundaries.

The CHAIRMAN. How about bookmaking and gambling places and places of that sort? Are they so difficult to find?

Mr. MORRIS. No; they are not difficult to find at all.

The CHAIRMAN. Why couldn't you bring them in and get indictments against them?

Mr. MORRIS. Frankly, we could see little point in indicting a local small-time bookmaker who is merely one small part of a large organization.

The CHAIRMAN. And you couldn't reach the bigger fellow?

Mr. MORRIS. We couldn't reach the bigger fellows at all. We tried. Six months we tried.

The CHAIRMAN. What efforts did you make?

Mr. MORRIS. We used every tool at our command. Our final decision was that the grand jury was probably incapable or incompetent to deal with crime on such a widespread basis, such a widespread organization. Our final recommendation was that perhaps the Federal Government might look into it.

The CHAIRMAN. Well, sir, as you very well know, this business of passing on the responsibility to the Federal Government is not a very healthy picture. We want to assume the responsibility where it is necessary that we do it, but getting the Federal Government into the local law enforcement is not a healthy thing, in the opinion of the committee, if it can be handled by the local people.

After all, unless it has the backing of and support of the local agencies, nobody can get very far.

Take Frank Costello and Frank Erickson and many of those people who have been over here and who operate in this section, don't they come here where they can be reached by subpoena of the grand jury?

Mr. MORRIS. They appear to be here from time to time; yes.

The CHAIRMAN. Where they would be subject to arrest in this jurisdiction?

Mr. MORRIS. Yes.

The CHAIRMAN. How about the cooperation of the law-enforcement officers with the grand jury? Did they bring information to the grand jury about the so-called big operators that you have talked about?

Mr. MORRIS. I can't say that we received information from them as to the big-time operators; no.

The CHAIRMAN. Senator Hunt, do you have any questions?

Senator HUNT. I might ask: What particular office or what particular local official has the greatest responsibility in enforcing the gambling and the vice laws?

Mr. MORRIS. I would say the sheriff does.

Senator HUNT. The sheriff's office?

Mr. MORRIS. That is my personal opinion.

Senator HUNT. Did the sheriff appear before your grand jury?

Mr. MORRIS. No; he did not.

Senator HUNT. How come he didn't testify?

Mr. MORRIS. During a great portion of our time, I believe he was out of the State fishing.

Senator HUNT. Out of this State fishing?

Mr. MORRIS. I think he was; yes.

Senator HUNT. The State is rather noted for fishing itself; isn't it?

Mr. MORRIS. As I remember, it was North Carolina or some such place. They also have fish there.

Senator HUNT. How long were you in session?

Mr. MORRIS. For 6 months.

Senator HUNT. And he was fishing for the full 6 months?

Mr. MORRIS. I don't believe that he was during that last portion. Some other things came up which made it inadvisable for us to call him at that time.

Senator HUNT. I take it from your answer to my question that the grand jury would primarily hold the sheriff accountable for the lack of enforcing the law?

Mr. MORRIS. I think he is the supreme authority in the county; yes.

Senator HUNT. Is that the sheriff that was removed by the former Governor, or was that in another county?

Mr. MORRIS. I think that is another county, sir.

Senator HUNT. It is a little difficult to understand, Mr. Morris, after your investigation and what you have put in your report, that you were unable to bring any indictments of any kind. What particularly intimidated your grand jury?

Mr. MORRIS. Well, I think that some of the things which actually stopped us from doing more were things beyond our control and which actually have no bearing; certain State legislation which unfortunately was enacted at the time our jury was in session.

Senator HUNT. I know you are not an attorney, but do you happen to know what that legislation was, or what the purport of it was?

Mr. MORRIS. Yes. It was intended to strengthen our jury system by increasing the number of members on each jury in order that it would be easier to maintain a quorum, and the law was enacted increasing the number of jurors without the saving clause to the jury which was in existence at the time of the enactment, and it was taken then to the circuit court.

The first indictment we returned was appealed to the circuit court and then to the supreme court as to whether or not we were a legally constituted body, and there was considerable confusion for some time and we didn't know what to do.

Senator HUNT. I have no other questions.

The CHAIRMAN. The sheriff you referred to was Sheriff Jimmy Sullivan of Dade County?

Mr. MORRIS. That is true; yes.

The CHAIRMAN. Thank you, Mr. Morris.

TESTIMONY OF HON. STANLEY MILLEDGE, JUDGE OF THE CIRCUIT COURT OF DADE COUNTY, FLA.

The CHAIRMAN. Judge Stanley Milledge, please.

Judge Milledge, do you solemnly swear that the testimony you will give the committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Judge MILLEDGE. I do.

The CHAIRMAN. The committee appreciates your appearance here, and we hope you will feel free to give us any information you think will be of help to us.

Mr. HALLEY. Judge Milledge, are you a judge of the Circuit Court of Dade County?

Judge MILLEDGE. Yes.

Mr. HALLEY. How long have you been a member of that bench?

Judge MILLEDGE. About 5½ years.

Mr. HALLEY. Did you, in connection with your official duties, become acquainted with any matters of law enforcement in Dade County?

Judge MILLEDGE. Well, my principal source of knowledge was prior to my being on the bench, or, rather after I had served an interim term

of 6 months. Then I was State attorney for 2 years from August 1 1943, until I went on the bench 2 years later.

Mr. HALLEY. In what year did you go back on the bench?

Judge MILLEDGE. I went back on July 1, 1945.

Mr. HALLEY. Now, did you have occasion at some time to appoint a number of private citizens as agents of the court and furnish them with warrants to obtain evidence?

Judge MILLEDGE. On one occasion. I don't recall just when it was. I believe it was a year ago last March or April.

Mr. HALLEY. Would you state exactly what you did on that occasion, Judge?

Judge MILLEDGE. Some people came to me with their affidavit just as a law-enforcement officer, fortified by photographs of some place over at Miami Beach showing headphones and all the usual paraphernalia not merely of a gambling establishment but a relay station at least for disseminating gambling to bookies. On the basis of the affidavit, which was in the usual form of affidavit upon which a warrant of arrest and search is sought, fortified by other testimony, considerable doubt was expressed as to whether if that warrant were given to the law-enforcement officers designated by law to serve warrants it would be effectively served, and I appointed an elisor under the statutory provision which permits the court to do that in case of necessity.

Mr. HALLEY. Did you furnish your elisor with warrants?

Judge MILLEDGE. Yes.

Mr. HALLEY. And was the warrant served on the premises at which there was alleged to be this gambling and bookmaking equipment?

Judge MILLEDGE. It was.

Mr. HALLEY. Would you state the name of the premises at which the establishment was located?

Judge MILLEDGE. I am sorry, I don't recall. I could——

Mr. HALLEY. Was it the Surfside Hotel at Miami Beach?

Judge MILLEDGE. I believe so.

Mr. HALLEY. And what was the result of the serving of the warrant? Was an indictment found on the premises?

Judge MILLEDGE. Yes. The warrant was returned to me. Of course, any prosecution upon that warrant would not be in the circuit court; so, I had nothing further to do with any prosecutions that might have resulted from that action.

The warrant, of course, having issued from the circuit court, was returnable to the circuit court; and the warrant, affidavit, and the objects seized as a result of the warrant were then turned over to the clerk of the Criminal Court of Record of Dade County.

Mr. HALLEY. Did your elisors find a short-wave radio in operation on those premises?

Judge MILLEDGE. I am sorry, I don't recall.

Mr. HALLEY. Do you know whether they found a large number of telephones present?

Judge MILLEDGE. Yes; I remember that. I haven't had any occasion to check back on any of this since the return of the warrant. I am speaking from memory, but I do recall that there was a considerable number—I don't recall how much—of telephone equipment.

Mr. HALLEY. Did they find a bookmaking establishment operating as well?

Judge MILLEDGE. I believe so.

Mr. HALLEY. Do you know whether the case after it left your hands was prosecuted to a conclusion?

Judge MILLEDGE. No. An information was filed by the solicitor of Dade County, and there have been some hearings on it recently. In addition to knowing about it from reading the newspapers, I am aware of it because one of the assistant county solicitors telephoned me and asked me if I would testify in the criminal court of record as to what evidence I had upon which I issued the warrant to an elisor rather than one of the regular constituted law-enforcement officers. I told him I was willing to do so, but I have heard nothing on it since, and I don't know exactly what has happened; but I do know from that that there has been no trial of the case.

The CHAIRMAN. You mean, the arrest was made in April 1949 and there has been no trial as yet?

Judge MILLEDGE. I am not certain of the date, but there has been no trial, and I believe that is the approximate date of the arrest.

Mr. HALLEY. Is that an unusual delay on an information for gambling and operating a handbook?

Judge MILLEDGE. Well, in my circuit court we have criminal jurisdiction over capital offense; but, speaking from general knowledge, I would say this type of case that was not unusual; no. If it were some insignificant bookmaker I would say that was rather longer than usual.

Mr. HALLEY. Are you properly interpreted in saying that in case of an important law breaker there is a lengthy delay in the administration of justice in Dade County?

Judge MILLEDGE. There usually seem to be difficulties of one sort or another that are always encountered, perhaps sometimes the absence of witnesses that are material as, for example—

The CHAIRMAN. We appreciate the absence of witnesses, Judge.

Judge MILLEDGE. Yes. I understand you are having the same difficulty.

When I was State attorney we had a long session of the grand jury, from May until November. We called in the members of the Miami Beach group most of the names of which I recall from having heard them read out here by you this morning, Senator Kefauver. We called one of the accountants of the group, realizing, of course, that we were giving immunity, but we didn't think that was giving him anything because he already had the most effective immunity that he could possibly have. As a result of that, the record and testimony of one of the partners, we returned indictments against all of the others.

Of course, with us, criminal prosecutions except in capital cases are not upon indictment. They are upon information by the county solicitor, and an information can issue directly by the solicitor or he can use the grand jury indictment as well as a base. He is not by law required to inform simply because a grand jury has indicted, but he did. He informed against the same persons whom the grand jury indicted, but those cases never came to trial, and I understand that one of the witnesses, the accountant, went to Brazil; and it is my information that he has never returned here.

The CHAIRMAN. What is his name?

Judge MILLEDGE. Davis. R. Davis, I believe. And the other one, the one we got the information from, Friedman, got ill, I understand, and had to spend a great many months in a New York hospital.

I understand that when the case was finally called it was called at the insistence of the defendants who complained of the long delay in not being brought to trial. Of course, the State was then unable to proceed because it had no witnesses.

Mr. HALLEY. Mr. Chairman, at this point I would like to offer in evidence a clipping from the Miami Daily News dated July 11, 1950.

The CHAIRMAN. That will be received and admitted as exhibit No. 107 to Judge Milledge's testimony. (See appendix, p. 740.) Do you want to read part of it?

Mr. HALLEY. May I? This is headed "County Delays Elisor Conference," and it states that there is a conference pending in connection with the cases of 15 men arrested, and I am quoting:

County authorities have postponed until Thursday their conference on future action in the cases of 15 men arrested in an elisor raid on the Surfside Hotel at Miami Beach a year ago last April.

The conference which has been called, according to the newspaper, will be with the assistant of the county solicitor—

and attorneys for the S. & G. syndicate. The latter have moved to suppress evidence in the case on grounds that an elisor warrant is illegal.

Do you know who the S. & G. syndicate are?

Judge MILLEDGE. Well, that is the popular name, shall I say, of the people whom I referred to as having been indicted by the grand jury in the long term of 1944 and the same people whose names I heard read this morning as not having been served by the subpoena of this committee.

Mr. HALLEY. Are they the people to whom you referred as having been successful in many cases in delaying the administration of justice?

Judge MILLEDGE. I wouldn't say they exclusively; no.

Mr. HALLEY. They and others?

Judge MILLEDGE. And others; yes.

Mr. HALLEY. Do you know whether or not the police department of Miami Beach cooperated with your elisors when they attempted to serve a search warrant?

Judge MILLEDGE. Well, of course, I wasn't there—

Mr. HALLEY. Was a report made to you?

Judge MILLEDGE. Yes; that they did.

Mr. HALLEY. And a report was made by the elisors, by your elisors, and their official return to you?

Judge MILLEDGE. That is correct.

Mr. HALLEY. Would you state what the official return to you was?

Judge MILLEDGE. Hostility on the part of the police officers involved.

Mr. HALLEY. Were there any police officers who appeared on the premises while the raid was in progress?

Judge MILLEDGE. So it was reported to me.

Mr. HALLEY. Did they assist the elisors?

Judge MILLEDGE. No. They sought to hinder them.

Mr. HALLEY. Can you name any of the police officers who sought to hinder your elisors in the service of their warrant?

Judge MILLEDGE. I am sorry; I don't recall their names.

Mr. HALLEY. Would you recall a name if I mentioned it?

Judge MILLEDGE. I doubt it. I doubt if I would.

Mr. HALLEY. I show you a name and ask you if it refreshes your memory [handing document to witness].

Judge MILLEDGE. The city of Miami Beach you are speaking of?

Mr. HALLEY. Yes.

Judge MILLEDGE. I am sorry; I don't know the gentleman and even looking at it I am not sure. I don't recall.

Mr. HALLEY. But you are definite that certain police officers of Miami Beach did impede the service of the warrant?

Judge MILLEDGE. Yes, if I can believe the reports, and I do believe them that were given to me.

Mr. HALLEY. Thank you. I have no further questions.

The CHAIRMAN. Judge Milledge, just tell us about the problems. You have been prosecutor and you have been a judge for 51½ years and a State's attorney prior to that time and then a circuit court judge before then. What is the difficulty?

Judge MILLEDGE. Well, Senator, I think it has two aspects shall I say. There is a technical difficulty in some of it. So far as dealing with this situation on a local level such as on the indictments of the people whom I mentioned a while ago that doesn't represent anything that is beyond the technical power of the local people to deal with. There our difficulty is our unwillingness to do so, our lack of desire to do so. We seem always to have the misfortune of having in office at any given time some people who want to enforce these gambling and other criminal laws dealing with organized crime, but we always have some who wouldn't. Then the thing shifts around and in those offices where you have people willing to do something they go out and lackadaisical fellows take their place and the converse takes place in some other department.

So, you always have some willing to do it and some who are not. You never can get them organized, get the team organized at any one time to do something. It isn't entirely the fault, in my opinion, of any one officer. It is a combination of perhaps the judiciary, or the judiciary perhaps are not entirely blameless in the matter.

The CHAIRMAN. Why is the judiciary not blameless?

Judge MILLEDGE. Well, a little fear, shall I say, of the power of the racket people. People who hold elective offices are always apparently a little concerned about re-election, of course, and the power of the money that is behind the rackets and the fear of antagonizing this business, the fear that so much money will be put behind them at the next election that they will be defeated.

The CHAIRMAN. You mean, it is notorious in Dade County that even candidates for the judiciary apprehend that gangsters of great power and with a lot of money might be able to adversely affect their elections?

Judge MILLEDGE. Of course, it is very hard for me to speak of other people, but I would say that is a thought that exists in the minds of most people and I can see no reason for making an exception as regards the judiciary.

Now, I don't wish to infer that there is any corruption in that field. I think there is corruption but I don't think it is that department.

The CHAIRMAN. Who tried the matters of criminal cases? The circuit court has jurisdiction of felonies, is that correct?

Judge MILLEDGE. Capital felonies.

The CHAIRMAN. How are the other criminal cases tried?

Judge MILLEDGE. Well, there is a criminal court of record which has jurisdiction of all felonies less than capital felonies and a court of crimes that deals with misdemeanors. However, it has been the practice locally for a long time, as long as I can remember, sort of an unofficial division of this business, that although this gambling business or violations of State laws by either gambling which is a misdemeanor and operation of a gambling outfit which is a felony if those things occur within municipal limits they are treated as violations of a municipal ordinance. I presume to get the revenue from the fines. So, the only prosecutions that are had are had under the municipal ordinances and the court uses the procedure of fine with the person fined going back and operating all over again.

Now, that part of it is simply one of attitude. However, I believe this is a field in which no matter how much people try there is extreme difficulty if not impossibility in coping with certain aspects of this thing as I found out myself in trying to ferret out some information about this wire service and as a result of which I drew the act which is presently the law of the State, presented in 1945 and 1947 and finally passed in 1949.

In the course of that investigation I found it impossible to get hold of some of the people that I wanted to reach. For example, there would be a contract made for a leased wire from say New York to Miami. The contract was made by people who aren't here and whom I couldn't reach. Of course, I had difficulty in reaching people who were presumably here. For example, there were certain names with which I got familiar but whose faces I was never able to see and I was never able to get process served on them because when process was turned over to the officers they told me, "We heard of those names, but we have never seen their faces."

There were names like Walter Keough and Haggerty. Their names appeared on papers of dealing with these wire services and I think there was somebody named O'Brien. I would hear about these people but I never could and had no means of apparently ever being able to get hold of those people and get them either before me on the processes of the State attorney or the processes of the grand jury.

You are greatly handicapped when you find what you need in order to protect the interests of the State of Florida and you can't even get hold of the people whom it is necessary for you to get hold of in order to lay out some kind of a program, legislative or otherwise.

So, on that aspect of it when you get into this part of it that is interstate I think you will find that thoroughly honest and unquestionably competent men like the present attorney general of Florida are up against some insuperable difficulties because of the power, because the power extends as far as the State line and the other end is always someplace else and he can't get hold of it. And, to a limited extent I found that was true, too.

The CHAIRMAN. So, at least as to the interstate use of wire services in connection with gambling and criminal activities you feel that the only way it can be handled is by the Federal Government putting some blocks in the way?

Judge MILLEDGE. Yes. I think there are a few people who honestly would ask the Federal Government to take over the whole field of organized gambling, but I don't think it is necessary. However,

a thing like this wire service, communications without which there can hardly be any large scale gambling I think would be extremely difficult, if it is too much to say impossible, for the State to handle because the thing you are trying to deal with is not confined to the State. I think it is the same problem as interstate commerce or anything else.

The CHAIRMAN. Judge, I have your quotation of the comment you made charging the Dade County Grand Jury which I think is somewhat of a gem and I would like to read it to you and see if you made this statement:

Going to the multimillion dollar rackets they could not exist unless officers charged with law enforcement were not afraid of gang overlords' money than the people who elected them.

Is that what you said?

Judge MILLEDGE. I certainly did and nothing has happened since to change my mind.

The CHAIRMAN. You think that the people charged with law enforcement here in this section are more afraid of gang overlords than they are of the people who elected them?

Judge MILLEDGE. Yes. I think that is perhaps changing a little bit. I think public opinion here is changing for the better.

The CHAIRMAN. So I take it the chief difficulty has been in the enforcement branch, that is, the people who have to enforce the law, the sheriff and the police department, or, would you specify where your chief difficulty has been?

Judge MILLEDGE. Well, personally I do not mind specifying, Senator, but I would rather you would excuse me from not being any more specific about it.

As I heard Mr. Morris say a while ago, of course, the sheriff is the chief law-enforcement officer but frankly I don't think you can lay everything at the sheriff's door. I think the responsibility has to be divided a little bit more than that. Our municipal police, our prosecutors, and our courts, they are all a team of law enforcement and if you get the whole team working, I mean, if you do not get the whole team working it is very difficult to get anything done.

The CHAIRMAN. The public too is a part of the team, isn't it?

Judge MILLEDGE. Yes.

The CHAIRMAN. Senator Hunt?

Senator HUNT. Judge, do your State laws set out, as in some State laws, that where a sheriff or a prosecuting attorney has cognizance or is aware of violations under his jurisdiction, whether a complaint is made or not, he himself is subject to fine and imprisonment if he doesn't prosecute on his cognizance?

Judge MILLEDGE. I know of—

Senator HUNT. Your law doesn't provide that?

Judge MILLEDGE. I know of no specific provision of that character.

Senator HUNT. It would be rather helpful if you had that law in your Florida law books, wouldn't it?

Judge MILLEDGE. Yes; I believe it would, Senator. I think it would help.

Senator HUNT. I noted in last night's paper that your State Senate now is taking an interest in this matter and has appointed a committee of three to look into the situation to see what the State itself

can do on this matter. I will leave this thought, so that perhaps you might want to suggest any laws that might help the situation.

Judge MILLEDGE. Thank you very much. I certainly will pass that on.

Senator HUNT. Judge, you speak of being unable to get in contact with or subpoena those people operating on a Nation-wide basis. However, I am sure you do feel that those people cannot operate Nation-wide and into Florida without their local contacts here.

Judge MILLEDGE. That is true, of course.

Senator HUNT. Let's talk for a few minutes, Judge, about the economics of the situation. Do you have many people in this area who think that gambling brings business or creates business or promotes prosperity or is good for the community?

Judge MILLEDGE. Yes; we do, but we don't have nearly as many of them fortunately as we used to have. I believe at one time, perhaps 10 years ago, it would be fair to say that a majority of the people here felt that way. Whatever they thought about the other aspects of it they tended to blink at it as a sort of economic necessity, as I suppose some of us do about the Florida divorce laws as that sort of thing. I am certain, however, that the proportion of the people who believe that is rapidly diminishing and I would venture the guess that the majority of the people here now are convinced that it is an economic loss.

Senator HUNT. Well, take here in this area—we had some figures on it—it goes up to millions yearly and I think the people of your community if they don't understand should know that that "take" doesn't stay in Florida, that it goes to the heads of the syndicates primarily in New York, Cleveland, Chicago, and Los Angeles, and so forth.

Just for the information of the public here in Florida, you do have here in Florida a sales tax, don't you?

Judge MILLEDGE. Yes.

Senator HUNT. I will make the statement, and this is based on actual experience, that if you could eliminate gambling in this area you would find that those millions, roughly estimated at \$15,000,000 a year from this particular area would go into legitimate channels of trade. It would not only be far more beneficial to your merchants and to your general business activities than the money that is spent on gambling, but it would also be very beneficial to your local government. Not knowing how your taxes are divided, if it all goes to the State or not, I say it would be most helpful if a tax could be collected on that vast sum of money that goes out of your State for gambling, that if you didn't have gambling it would go into legitimate trade channels.

I make this statement advisedly because I had the same experience in my State where we watched it carefully, and where gambling was closed down the sales-tax situation and general business conditions improved, and improved immediately.

I think that might be a thought that you might get over to your people that would be somewhat helpful.

Judge MILLEDGE. I am sure it will.

Senator HUNT. I haven't any other questions.

The CHAIRMAN. Judge, do the other members of the judiciary in Dade County in this section share your general views about the problems you have testified about?

Judge MILLEDGE. I am not sure, Senator. I believe they do.

The CHAIRMAN. Judge, we appreciate your appearance before the committee and thank you for the information you have given us.

**TESTIMONY OF DANIEL P. SULLIVAN, OPERATING DIRECTOR,
CRIME COMMISSION OF GREATER MIAMI**

The CHAIRMAN. Mr. Sullivan, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. SULLIVAN. I do.

Mr. HALLEY. What is your occupation, Mr. Sullivan?

Mr. SULLIVAN. I am operating director of the Crime Commission of Greater Miami.

Mr. HALLEY. Would you state for the record what the Crime Commission of Greater Miami is; what is the organization, its organization, and so forth?

Mr. SULLIVAN. The Crime Commission of Greater Miami is a civic organization that was founded by representatives of about 90 civic clubs. They held a law-enforcement session in the Mayfair Theatre in March 1948. That session was addressed by Attorney General Tom Clark, and the delegates at that convention by actual vote agreed to form a law-enforcement agency, a crime commission, for the purpose of engendering a better respect for law and attempt to get better law enforcement in this area.

Mr. HALLEY. When did you become the operating director?

Mr. SULLIVAN. In August 1948.

Mr. HALLEY. Will you state for the record your experience and qualifications prior to becoming operating director of the Crime Commission of Greater Miami?

Mr. SULLIVAN. I was special agent of the FBI, supervisor and agent in charge for 10½ years, beginning with 1932 up to the latter part of 1942.

Mr. HALLEY. By "the FBI" you mean the United States Department of Justice, Federal Bureau of Investigation?

Mr. SULLIVAN. That is right. Subsequently, I was director of plant protection at the Consolidated-Vultee Aircraft plant here in Miami all during the war, having charge of the responsibility for the investigation of sabotage and antiespionage and plant security and investigation at the plant. I subsequently was employed as chief investigator by the Florida State Racing Commission during the year 1945-46.

Mr. HALLEY. Mr. Sullivan, have you prepared certain exhibits showing the known gangsters living and operating at Miami Beach?

Mr. SULLIVAN. At Miami Beach and elsewhere in Dade County and in Broward County.

Mr. HALLEY. Would you produce those charts?

Mr. SULLIVAN [produces three charts]. This exhibit (No. 109, p. 740) is not to scale. It was designed to give the committee an idea as to the general location of the major gambling operations in Broward County in relationship to the city of Miami and the general area. The center of that chart shows the United States Federal Highway, which is the principal highway running north out of Miami. Just beyond, a matter of a hundred feet or so, north of the Dade County line, in

Broward County, on the right side of the highway is located the Colonial Inn. Immediately next to the Colonial Inn is the Gulfstream Racetrack, which goes to the corner of the United States Federal Highway and Hallandale Beach Road. The Club Greenacres is located about a mile and a half west of the United States Federal Highway on the Hallandale Beach Road, and almost directly across from the Gulfstream Racetrack property is located what is called the Farm. Going east from the Federal Highway about a mile and a quarter, toward the ocean, is located the Club Boheme. These three places—Colonial Inn, Greenacres, and Club Boheme—are the three principal gambling operations in Broward County.

I might say that the Colonial Inn here is not operating as a gambling place. In the spring of 1948 an injunction suit was brought against it, and an injunction was granted and it closed gambling. It has since been run as a dance hall or night club for the last two seasons. The property was formerly owned by Jake Lansky, of Broward County.

The Club Boheme subsequent to May 1948 began gambling operations with the same group that formerly controlled the gambling at Colonial Inn.

Mr. HALLEY. In your subsequent testimony you will identify the people that you are talking about?

Mr. SULLIVAN. Yes. I just merely want to give you the general picture now. The Club Greenacres is operated by generally the same group which formerly was connected with the Colonial Inn but who subsequently took over the gambling at the Club Boheme. The Farm is a large abandoned night club and gambling house. Originally it was called the Plantation. In the late thirties it burned down. Subsequently a new building was placed on it, and they called it the Farm in the year 1939. In 1940 an injunction suit was brought against it for gambling operations, and a permanent injunction was granted.

In the year 1945-46 I was with the State racing commission and I made an investigation of wire service. At that time I found that the service was originating in Baltimore, Md., and a line was running all the way down through Maryland, Virginia, North Carolina, South Carolina, Florida, and into Miami. On this line there were certain drops where customers took the service from the wires and then disseminated it locally. At that time the principal places for the dissemination of the information received from this line, and which was broadcast by the local distributors to bookies, were located at two points: One in Dade County at the Dade County Newsdealers on Northwest First Court across from the courthouse, and the other place was located at the Farm. The information that comes in on this wire, which is a drop wire, is received by ticker. The local distributor then, through an arrangement at that time made with the Western Union Co., obtained leased wires, and through the Western Union connected the customers, generally made up of bookies, with the Western Union frame. Then at the location where the information is received over this interstate wire there would be a hook-up whereby a man or announcer could speak into a microphone and that microphone was in turn connected with the multiplicity of wires appearing on the frame of the Western Union, so that his voice could be heard simultaneously in gambling places and any other places which might pay for this service. The Farm at that time was set up so that this simultaneous

broadcast to bookies could be made from that location as well as at the Dade County Newsdealers. It was explained to me that the purpose of that was so that, in the event the county authorities of Dade County should by some action interfere or interrupt the wire service here, it could be carried on from the broadcast emanating in Broward County at the Farm.

In the year 1946 there was one service company that brought in the wire service and distributed it. It was called the Hollywood News Service. It changed its name to Miami News Service. Early in that year there was a service started up in the name of Trans-America News & Publishing Co., which was a Chicago-operated race-wire service, running in competition with the established Continental Press. A leased wire was established from Cicero, Ill., to a place located in Miami Shores, just north of Miami, at the Graham Press. Another wire tele-meter line from the Graham Press to New York City and return was also established at that location. The Trans-America went into business and subsequently, early in the year, around June or July 1947, after Trans-America was established and had established other similar services in other parts of the country, and after James Ragan was killed, they announced that they would retire from the wire-service business. At that time the facilities that had been established in the Graham Press were not released. These facilities were turned over and made a part of the established Continental Press Service.

At the present time I believe I am right in saying that the Graham Press is not used as a major distribution point for the dissemination of racing information. It is merely used as a drop, one of several drops. In 1946 there were approximately 22 outlets in the Greater Miami area for wire service. Within a year that number had jumped to between 120 and 125 in the period of 4 years.

Mr. HALLEY. In the meantime wire service was made illegal in the State of Florida?

Mr. SULLIVAN. This was up to the time they cut them last year, in December 1949. I think there will be testimony to the effect that the wire service was cut off throughout the State.

The identities of the individuals that are connected with Colonial Inn, Club Greenacres, and the Club Boheme, I think, can probably be handled in the next chart.

The CHAIRMAN. We would like to have this chart and the succeeding charts marked as exhibit Nos. 108, 109, and 110 to the testimony of this witness. (See appendix, pp. 740-742.)

Mr. SULLIVAN. I would like to stress the fact that the Graham Press is not to my knowledge a bookmaking operation; it was merely one outlet.

Mr. HALLEY. That is the Graham Press?

Mr. SULLIVAN. That is right—the Graham Press.

Mr. SULLIVAN. Now, this chart (exhibit No. 108, p. 741) is generally concerned with the major gambling operations in Broward County. It shows certain points of gambling operations in Palm Beach and Dade Counties. The Colonial Inn was a major gambling operation in Broward County until it was closed in May of 1948. The gambling in that place was controlled by Jake Lansky and his brother, Meyer Lansky; Joseph A. Doto, alias Joe Adonis, Vincent Alo, alias Jimmie Blue Eyes,

Frank Erickson, Bert Briggs, Claude Litteral, and Samuel L. Bratt. Originally, this gambling operation was a joint venture between this group of New York gamblers and a group of Detroit gamblers. That existed up through the year 1946. A group of Detroit gamblers, headed by Mert Wertheimer, Reubin Mathews, and Danny Sullivan, had about 32½-percent interest in the——

THE CHAIRMAN. I take it that you do not hesitate to explain that he is not of your branch of the Sullivan family?

MR. SULLIVAN. He is Red Irish. They controlled 32½ percent of the operation of the Colonial Inn. Subsequent to that year the interest of that particular group of Detroit gamblers was taken over and absorbed by the remaining operator from New York. The operations of the Colonial Inn are akin to the operations in the Club Greenacres. Ninety percent of the ownership of Greenacres is in the operators of the Colonial Inn. The other 10 percent of the Club Greenacres is divided among two other operators who do not appear in the Colonial Inn. The Club Greenacres is considered or has been considered in past years as a sawdust joint, but in recent years it has been dressed up and it more or less caters to the big-time gamblers. The principal income from the Greenacres comes from the "money crap game," the New York crap game, and that New York crap game is controlled by William G. Bischoff, alias Lefty Clark. Joe Massei, of Detroit, bankrolled Bischoff.

MR. HALLEY. The chart shows that both of them lived in Detroit; is that right?

MR. SULLIVAN. Yes.

MR. HALLEY. Does one of them maintain a local residence and place of business in Miami?

MR. SULLIVAN. Yes; but I would like to reach that later on.

MR. HALLEY. Will you reach that later on?

MR. SULLIVAN. Yes. These same two men, as will appear on this chart, are interested in the gambling operations in Miami Beach called the Club Collins, located at Twentieth and Collins Avenue, Miami Beach. That club operated up until 2 months ago. The principal game was "skin game," and in that were Jack Friedlander, Newark; Joseph Massei, Detroit; William Bischoff, alias Lefty Clark, Detroit; Trigger Mike Coppola, New York City; and Bennie Kaye, New York City.

Friedlander, one of the operators of the Club Collins, also is a partner in the Island Club gambling house located at Sunny Isles in Dade County, in the county area. That operation is controlled by Jack Friedlander, Samuel P. Cohen, a member of the S. & G., Herbert "Pitsy" Manheim, of Detroit, and Sam Gameboy Miller, of Cleveland, Ohio. Up to the year 1948 Frank Erickson and Bert Briggs each had a 15 percent interest in the Club Greenacres and the Colonial Inn operation. In turn Erickson controlled the gambling casino concession at the Boca Raton Club in Palm Beach County.

Erickson's operations in Dade County have been carried on at the Wofford Hotel, beginning in 1941 through 1946. Also at the Roney Plaza Hotel for a part of one season and at the Boulevard Hotel from 1946 to 1950. The gambling operations of Erickson at these three places are not similar to the normal gambling operations found in the hotels on Miami Beach. They have gambling concessions at most of

the hotels and these concessions are leased out for sums ranging from \$2,500 to \$50,000 per season. That is merely a gambling monopoly given to one or more men who have the privilege of establishing book-making operations within the hotels and the cabanas outside of the hotels.

Erickson's interest in the Wofford Hotel was not in the gambling concession in the hotel. That was used as headquarters for his agents, consisting of Bert Briggs, L. A. Cantor, and Jackie Zeldow. Erickson used the Wofford Hotel as a base of operations for the handling of large lay-off bets or moneys received by him in New York, New Jersey, and possibly at other points. Some of that money, of course, would be taken to the racetrack and put through the mutuel machines. That was done for the purpose of laying off bets wagered on a particular horse. That was more or less a headquarters for the racetrack activities of Erickson and his agents. The same condition existed at the Boulevard Hotel. The Roney Plaza Hotel, however, was considered to be a gambling concession. That was taken over for the purpose of accepting gambling bets from customers located inside the hotel and in the cabanas outside on the ocean.

The operators of the Colonial Inn are reflected in the operations of the Louisiana Mint Co.—the joint gambling operations of that company are between that company and Phil Kastel and Jack Lansky, of Broward County. Phil Kastel is of New Orleans.

There has been testimony put in the record in a previous hearing as to the principal gambling operations of the Frank Costello Syndicate in the New Orleans area, particularly in the slot machine business.

I think that more or less generally covers the background of the gambling phase.

(Puts up third chart.)

Mr. SULLIVAN. This chart shows three hotels on Miami Beach—the Wofford Hotel, the Grand Hotel, and the Sands Hotel. These three particular hotels were selected to identify the various persons who frequented and used these hotels as a meeting place.

The history of the Wofford Hotel is found in a lease that was signed by Thomas J. Cassara and Neal Lang of Miami Beach on November 1, 1940, for a period of 10 years.

Cassara is an attorney. He graduated from the National Law School in Washington and he lived in New London, Conn. Neal Lang was at that time manager of the Raleigh Hotel in Miami Beach, and Cassara was also there employed.

Lang, in a subsequent suit filed in the circuit court, declared that he never had any interest in the operation of the Wofford Hotel, that he signed the lease merely as an accommodation, and that he did so at the instance of Tom Cassara. The hotel was operated by Cassara for a period of 1 year, and then subsequently there was a contract signed between Abe Allenberg and Frank Erickson whereby they agreed to put up certain money to Cassara and take over the operation of the hotel. Ten thousand dollars was put up by Allenberg and ten thousand by Frank Erickson.

In the year 1940 Cassara had arranged for the building of a hotel called the Raleigh Hotel in Miami Beach. Testimony in a case in the circuit court was to the effect that he borrowed \$25,000 from John Angersola, alias John King, of Cleveland, Ohio. He also testified that

he had at different times borrowed money in different sums and at different places from Jimmie Kelley, the father-in-law of Anthony Carfano, alias Little Augie, and several others. The testimony was that Anthony Carfano personally had no interest in the hotel. However, in the year 1941 Cassara left and went to Chicago. Abe Allenberg became resident manager of the hotel and Max Marmorstein became the manager and operator of the hotel. Max Marmorstein is a hotel operator from Cleveland, Ohio. He maintains his office in the Ninth and Chester Building in Cleveland, Ohio, and his telephones were taken out of that office in 1943 because they were connected with gambling operations. That building is the headquarters of the Empire News Service controlled by "Mushy" Wexler.

Subsequent to 1941 Otto Lorentzen, a nephew of John Angersola, John Cardone, another relative of John Angersola, Abe Allenberg, Max Marmorstein, John Angersola and a brother, Fred Angersola, and Anthony Carfano were set out as being partners in the operation of that hotel. Carfano himself signed correspondence from the hotel as managing director. The hotel thereafter became a meeting place for well-known racketeers and gangsters from all over the country.

Erickson, Bert Briggs, Al Cantor, Jackie Zeldow, and Frank Strader used the Wofford Hotel as their headquarters for their "on-track" gambling operations.

At that hotel large private gambling games took place. The participants in these games were, among others, Little Augie; John Angersola, alias John King; Joe Massei, of Detroit; Charles Fischetti, of Chicago; Angelo De Carlo, alias Gyp De Carlo, New Jersey; Alfred "Big Al" Polizzi; Max Weisberg; Alfred "Poagy" Toriello, of New York City and Providence; Joe Burnstein, of Detroit; and Trigger Mike Coppola of New York City.

Among the clientele, guests, and associates who frequented the place were Joseph A. Doto, alias Joe Adonis; Meyer Lansky; Vincent Alo, alias Jimmie Blue Eyes, from New York City; Frank Costello; George Angersola, of Cleveland; Romeo Civetta and Tony and Carlos Civetta, all of Cleveland, Ohio; Alfred Polizzi, Cleveland; Abner "Longie" Zwillman, Newark, N. J.; Nick Delmore, Elizabeth, N. J.; Nick Bravos, Chicago; Willie Moretti, Bergen County, N. J.; Joe Di Carlo, of Youngstown, Ohio; Joseph Jasper Aiello, alias Fats, of Youngstown; Nicholas P. Tamburello, alias Nicoline, Youngstown; Frank De Filippo, New Jersey; Herman Stark, of New York City; William G. Bischoff, alias Lefty Clark, of Detroit.

I have the criminal records here of all of them.

The CHAIRMAN. We would like to have these all filed as one exhibit to your testimony.

(The photographs and criminal records referred to by Mr. Daniel Sullivan are on file with the committee as exhibit No. 111.)

Mr. SULLIVAN. I have here a number of them, which I won't go over. I will turn them over to the reporter. I have some other things I could mention in passing. For instance, I have a photograph of the home of John Angersola, 5440 La Gorce Drive, Miami Beach, Fla. I have a photograph of the home of Charles Fischetti, 6475 Allison Road, Allison Island, Miami Beach, Fla.; a photograph of the home of Alfred "Poagy" Toriello, of New York City and Providence, at 8842 Hawthorne Avenue, Surfside, Fla.

The CHAIRMAN. Let us not mix them up, but if any of the members of the press want to make duplicates of the photographs of any of the palatial homes they have the committee's permission to do so. Pass them around to the press tables.

Mr. SULLIVAN. Among the persons that I mentioned in this testimony was Joe Burnstein, of Detroit, Mich. Burnstein is one of three brothers, concerning whom there has been some testimony, I believe, before the committee. He has been located here at different times in the Miami area, and in the past years he was part owner of the lounge at the Albion Hotel. Telephone calls have been traced from Mickey Cohen's telephone in New York City to the telephone located in that lounge.

In the year 1949 Burnstein became the manager of the Max Cohen Distributing Co., a beer distributorship in Miami, and he left town after the organization lost about \$7,000 or \$8,000. At least he went into debt and left town, owing creditors to that extent.

He went to California to join his brother, Izzy Burnstein, who owned a string of horses on the west coast, and was back in Miami Beach this past season.

The residence of Vincent Alo is located at 1248 Monroe Street, Hollywood, Fla.

The CHAIRMAN. Is that alias "Jimmy Blue Eyes"?

Mr. SULLIVAN. Alias "Jimmy Blue Eyes." Joe DeCarlo, who was mentioned in this narration of the persons directing the Wofford Hotel, is the same individual who has transferred his operations from Buffalo, N. Y., to Youngstown, Ohio. He did this in the year 1945. In Youngstown he associated himself with Joseph "Fats" Aiello and with Charles "Cadillac Charlie" Cavallero and Nicoline Tamburello. In Youngstown they organized the numbers and horse-book-making racket in conjunction with a man by the name of Ray Lanese.

Ray Lanese, according to the chief of police of Youngstown, Ohio, is a nephew of Joe Massei, and has been operating the Italian Village Restaurant on Twenty-third Street, Miami Beach, which has been a place where a great many of these characters frequent.

The residence of Nick Delmore, of Elizabeth, N. J., is at Terracina Avenue, Golden Beach, Fla. It is a new home, just recently built, and completed in the last few months.

In conjunction with Angelo "Gyp" De Carlo (De Carlo is a well-known gambling operator) he has operated the Chatterbox Night Club in the vicinity of New Brunswick, N. J. De Carlo and William "Fats" Riga are owners of the DeRiga Trading Corp. That company owns a large subchaser, which was converted here in Miami Beach 2 years ago and which was refrigerated, and is now used for fishing. Associated with them in this enterprise is Frank De Fillipo, who comes from their same general area in New Jersey.

The residence of Sam De Carlo, of Buffalo, N. Y., is located at 6166 Pinetree Drive, Miami Beach, Fla.

The operations of the Wofford Hotel connect with the operations of the Grand Hotel. John Angersola, of Cleveland, appears as one of the creditors of Thomas J. Cassara, operator of the Wofford Hotel.

Fred Angersola, his brother, and Bennie Street signed a lease on the Grand Hotel in the year 1944, which lease terminated in the fall of

last year. Thomas Cassara was also interested in the operation of the Grand Hotel. In fact, he was the owner of record of that property until the year 1937, at which time he sold it. Then, subsequently, he became the lessee of certain night clubs. They had two night clubs connected with that property. Along with John Angersola and his brother, Fred Angersola, they signed a lease on that property in the year 1940, extending for a period of 5 years. Subsequently, Cassara in 1941, in the same year that he left Miami Beach and left the Wofford Hotel, withdrew his connection with these night-club operations.

The operations were not too successful, and for several years the night clubs did not operate. This past year one of them did operate under the name of Chez Patee, and is still in operation as a strip-tease night club.

The lease on the Grand Hotel, although in the name of Thomas Cassara and Fred Angersola, did not reflect the true ownership of all of the parties concerned. In 1944, in connection with the 5-year lease that was given to Fred Angersola and to Bennie Street, there was required that the sum of \$39,000 be put up as deposit on the lease; \$15,000 of this money was put up by Bennie Street; \$16,500 was put up by Fred Angersola; and \$7,500 was put up by Joe Massey (Massei), whose name does not appear on the record as having any interest in this hotel.

Subsequently, Joe Massey took up his residence in the penthouse of that hotel. In more recent months he has been living at a new home just constructed at 520 Lakeview Drive in Miami Beach.

In the year 1946 Dave Glass, a numbers operator and a horse-book operator from Philadelphia, joined Bennie Street, likewise a horse-book operator, in taking over the lease on the Sands Hotel. That lease required the putting up of a deposit of \$90,000 in rent money. The lease was signed, and that hotel has been operated by these two men since that time. Dave Glass himself has operated a gambling concession at that hotel.

The hotel became a gathering place, particularly, for a group of gamblers, racketeers, gangsters, from Philadelphia, Pa., headed up by Nig Rosen. Nig Rosen heads up a mob of about 25 or 30 men who operate in the Philadelphia area. Rosen himself has headquarters in New York City, where he is the operator of the Dearest Miss Dress Co. His first lieutenant is Max Weisberg, alias "Willie" Weisberg. His second in command is Samuel "Cappy" Hoffman.

The photographs and criminal records of Rosen, Weisberg, Max Rothman, Nussie Rosen, Max Seigal, Samuel "Cappy" Hoffman, Michael Matteo, Frank Matteo, Anthony Narcissi, Harry Provan, Harry Siegel, Irving Greenberg, Joseph Herman, Abe Glassman, Moe Newman, and Jack Newman I have here, and they are available to be introduced in the testimony.

The CHAIRMAN. All right, sir.

Mr. SULLIVAN. The operations of this particular group centered at the Sands Hotel. In the year 1946, when this lease was signed and the hotel operation was taken over by Street and Glass, there were very few of these men who showed up. In the season of 1948-49, a year ago, however, the whole group that I have mentioned made this place a headquarters. They had taken over the gambling operations and gambling concessions at a number of hotels in Miami Beach but

used the Sands Hotel more or less as a headquarters for their gambling operations.

Closely associated with them at the Sands Hotel was Jack Friedlander, of Newark, N. J., Marco Reginelli, of Camden, N. J. (also known as the Little Guy), who also appeared to be a party in interest in their gambling operations. William Moretti, alias "Willie Moore," of Bergen County, N. J., was frequently at the hotel with Nig Rosen.

In February 1949 the wire service was shut off in the Miami Beach area. On the Sunday subsequent to that shut-off there was a meeting at the hotel at which Marco Reginelli, along with Nig Rosen and a very few others in this same mob, attended.

The history and the connections of this gang, I believe, can be found in a letter from the Philadelphia police department, dated July 19, 1949, in which their history and the general history and the operations of this crowd in the Philadelphia area is set forth by Mr. Frank Richardson, assistant superintendent of police, commanding the detective division of the Philadelphia police department. Among the other general statements as to the operations of this gang, he mentions the fact that they headquarter at Miami Beach during the winter season, where they maintain gambling operations.

He goes on to tell their general background from the time that they started their operations back in the early twenties, during the prohibition era, and established themselves as bootleggers and rumrunners and the principal gangsters in the Philadelphia area.

The CHAIRMAN. That will be made an exhibit to your testimony and will be a part of the record.

(The letter referred to was marked "Exhibit No. 112" and appears in the appendix on p. 743.)

Mr. SULLIVAN. Among the persons connected with the Sands Hotel as having a financial interest and who was referred to by the employees of the hotel, was Alfred Polizzi, "Big Al" Polizzi, of Cleveland, Ohio, as distinguished from Albert Polizzi, "Chuck" Polizzi, of Cleveland, who was reported to be a cousin of Alfred Polizzi. A photograph and criminal record of Alfred Polizzi is here, and I would like to introduce it into the record.

The CHAIRMAN. It will be made a part of the record.

(Exhibit No. 111 is on file with committee.)

Mr. SULLIVAN. In recent years Polizzi has moved to the Miami area, where he is now engaged in the construction business. He has been in association, however, with "Little Augie" Pisano and the various other persons who frequented the Wofford Hotel. He is the owner of the *Wood Duck*, a yacht which is anchored at the Miami Beach boat slips. That boat is registered in his name, under Coast Guard No. 41J198. That same boat was registered prior to July 23, 1940, to Arthur B. McBride, of Cleveland, Ohio, who was either at that time, or shortly thereafter, the sole owner of the Continental Press wire service.

On July 23, 1940, according to the records of the Coast Guard, Arthur McBride transferred title of this boat to Fred Angersola, alias Fred King, the same man who was the lessee of the Grand Hotel, and whose brother has been active in the operation of the Wofford Hotel.

On August 15, 1941, Fred Angersola transferred this boat to one Charles K. Green, whose identity is not known to me. Five days later,

on August 20, 1941, the boat was transferred under United States Customs No. 241036, as an undocumented vessel. The information on that transfer of title is not known, but the next notation in the Coast Guard files reflects that this boat was sold by Amy King, who is the wife of John King, to Alfred Polizzi on June 3, 1944.

The association of John Angersola and Polizzi is reflected in photostat of deed in the real-estate records of Dade County, in deed book 2843, page 494, which reflects the transfer of certain lots in the Riviera section of Coral Gables, jointly held by John Angersola and his wife, Amy Angersola, and Alfred Polizzi and his wife, Philomena Polizzi.

The CHAIRMAN. That will be made as an exhibit to your testimony. (The deed referred to was marked "Exhibit No. 113" and appears in the appendix on p. 746.)

Mr. SULLIVAN. In addition, Polizzi has owned considerable other property in the Coral Gables area. On July 29, 1946, M. F. Pafford and his wife, Mildred C. Pafford, and George H. Newsome and his wife, Mary J. Newsome, and Harry W. Shank and his wife, Goldie F. Shank, transferred title to the entire subdivision, known as University Estates of Coral Gables, jointly to Arthur B. "Mickey" McBride and Alfred Polizzi. A photostatic copy of this deed is offered.

The CHAIRMAN. It will be made a part of the record and an exhibit to your testimony.

(The deed referred to was marked "Exhibit No. 114" and appears in the appendix on p. 748.)

Mr. SULLIVAN. A photograph of the subdivision which is located near the Ponce de Leon High School in Coral Gables is offered.

The CHAIRMAN. It will be received.

(The photograph referred to was marked "Exhibit No. 115" and is on file with the committee.)

Mr. SULLIVAN. In the year 1939 a major investigation of the numbers racket was conducted by the Cleveland police department. As a result of that investigation 19 persons were indicted. Among the persons indicted was a man by the name of Scerria, who fled to Mexico. John Angersola was also indicted, and one of the brothers, either George or Fred Angersola.

Six of the indicated men used the *Wood Duck* in fleeing the jurisdiction of the court in Cleveland and in going to the Great Lakes and passing down through the inland waterway to the Miami area. In 1941 the case was brought to trial, and the brothers were acquitted. The investigation had to do with the investigation of extortion in connection with Negro numbers.

It does not show on these charts but there has been a very close connection between the persons who have frequented as clients or patrons or customers of the Wofford Hotel and the Grand Hotel. As a matter of fact, the Grand Hotel, located on Twenty-third Street, is only about two blocks away from the Wofford Hotel, and the same persons who either were patrons of, or frequented, the Wofford Hotel also frequented the Grand Hotel, and that area around the Grand Hotel became nationally known as a meeting place probably for more nationally known racketeers and gangsters than any one local area in the United States.

The investigations that we have conducted, and which cannot possibly be gone into fully here, disclose a tremendous amount of property

that has been accumulated by racketeers from all parts of the country, particularly those east of the Mississippi River. The money that is poured into legitimate businesses, in hotel investments, and so forth, is most difficult to trace.

The CHAIRMAN. Mr. Sullivan, the matter of money placed in legitimate businesses by these people is one of the primary parts of the inquiry of this committee. I know that you have already furnished the committee with very substantial information. I will ask that you document all that you have, and that will be made a part of your testimony and part of the record of this committee. We fully realize that going into the details of each one of these investments at this hearing would consume too much time, and so we will handle it in that fashion, but your documentation will be made public when it is completed.

Mr. SULLIVAN. For instance, in the case of Joe Massei, of Detroit, he has spent the great bulk of his time in Miami Beach for the past 10 years. His interest is disclosed in the lease on the Grand Hotel. His ownership of his home at 520 Lakeview Drive, a tremendous home, discloses his interest. He is a one-half owner of the Miami Provision Co., which is one of the exclusive provision companies located in Miami, and of which there is a photograph here.

The CHAIRMAN. All of these will be made exhibits to your testimony and a part of the record.

(Exhibit No. 111, on file with committee.)

Mr. SULLIVAN. He is the owner of the yacht *Verjo II*, which is stored at the Miami Beach boat slips.

The CHAIRMAN. Who is this you are referring to?

Mr. SULLIVAN. Joe Massei.

The CHAIRMAN (indicating document). And this is his criminal record?

Mr. SULLIVAN. That is his criminal record, and there is the photograph of the Italian Village Restaurant, located on Twenty-third Street, which is operated by his nephew, Ray Lanese, who was connected with Joe De Carlo in the operation of the numbers and book-making in Youngstown up to the year 1948.

William G. Bischoff, alias "Lefty" Clark, who is nationally known as an outstanding crap dealer and operator of crap games, and who is interested with Massei to the extent of 40 percent of the net income from the Club Green Acres, makes Miami Beach his home. He resides at 4383 North Meridian Avenue, Miami Beach.

The connection of Massei with the rackets in Dade County is not known other than through his backing of the operations of "Lefty" Clark. However, our investigations have reflected that Joe Massei controls large-scale numbers operations and horseracing books in the Detroit area. In that town his chief lieutenant is Pete Licavoli, Detroit police department No. 30787. There is his photograph and criminal record.

Another of his lieutenants is Joe Bommarito, alias "Scar Face," Detroit police department No. 37496. Bommarito is the owner of an apartment at 6795 Abbott Avenue, Miami Beach.

The CHAIRMAN. It will be made a part of the record.

(Exhibit No. 111, on file with committee.)

Mr. SULLIVAN. Also associated with Massei in horsebook and numbers operations in the Detroit area is Larry McHugh, Detroit police

department No. J-21944, Herman Bernstein, Detroit police department No. 30946, and Phillip Lieberman, coowner of the Century Bar and Restaurant Equipment Co., located at 2144 Bagley Avenue in Detroit.

In the year 1947, Tony Accardo, of Chicago, leased the home of James Passanante at 9199 Collins Avenue in Miami Beach. Passanante is a coowner with Gerhardt Woberman and Steve Brancalone of the Master Music and Gay Coin Co., located at 4866 Woodward Avenue in Detroit. These men, with Steve Robetaille, were connected with the Master Music Co. and racehorse handbooks and numbers operations in the Detroit area.

Massei is also associated with them in those operations. Others connected with Massei's operations in Detroit are Louis Ricciardi, alias "Louis the Wop," Detroit police department No. 8950, Joseph Burnstein, Detroit police department No. 14498, Samuel Lipkin, Fred J. Drain, Charles Cobbler, FBI No. 1144812, and Nicholas Tamburello, FBI No. 9457071.

Accardo's brother, Martin Accardo, Chicago police department No. C-33656, resides at 1217 Granada Avenue, Coral Gables, which home he owns. Tony Accardo is also the owner of a yacht called the *Clarijo*. This boat is stored at the Miami Beach boat slips and shows painted on it *Clarijo*, River Forest, Ill.

Three years ago arrangement for the rental of this boat slip were made by Joe Massei, who at that time stated that he was making these arrangements for his partner from Chicago, Ill., Tony Accardo. Subsequently, this boat has been used by Harry Russell, of Chicago, and by others for fishing parties, and apparently for pleasure purposes. I believe the testimony will hereafter show a connection between this boat and Harry Russell's residence and also with the residence of George Bowers, one of the operators of the Sunny Isles Casino at Sunny Isles, Fla.

The photograph and criminal record of Louis Ricciardi reflects a large number of arrests for drug violations, at least four charges of murder and a number for armed robbery and others. A photograph of his residence, 9166 Harding Avenue, at Surfside, I also give you.

I believe it might clarify my testimony if I make a statement to this effect: The fact that the chart shows a definite connection between certain hotel operations and between certain groups does not mean that the associations or possible connections of these people can be dovetailed or tied up and put into a block. My investigations, for instance, have shown, as reflected by my testimony, that there is a community of interest between these five groups and an overlapping of the operations, both in gambling and legitimate businesses, which is most difficult to trace out.

The mere fact of the geographical origination of a particular man does not mean that he must be tied up today with the persons located in the town he came from. We found that particularly true in the Miami area where we have a combination of people connected in legitimate businesses and who have rackets elsewhere and here, who come from St. Paul, Minneapolis, Chicago, Detroit, Cleveland, Youngstown, Akron, Buffalo, Boston, Providence, R. I., New York, Philadelphia, Washington, D. C., and practically all of the large towns located east of the Mississippi River. And those connections show up in different operations at different times with different individuals.

For instance, Fred Angersola is shown as the operator of the Grand Hotel, the lessee of the Grand Hotel, but his brother, John Angersola, is shown as one of the operators of the Wofford Hotel, but the Wofford Hotel, in turn, is a mixture of Cleveland people and New York City people, and the persons who took part in gambling games in the Wofford come from New York, Detroit, Philadelphia, Providence, New Jersey, Cleveland, and other towns, and that seems to go through all our investigations; that although there is a common enterprise, which might be gambling, nevertheless they have individual interests that the people might have, regardless of geographical location.

In the case of the gambling in Broward County I think it can be generally stated that that major gambling has been controlled by a group of New York racketeers, to the exclusion of other racketeers from Chicago, Detroit, and what not.

In the Miami area gambling has been controlled in great measure by local operators until the last year or two. The legitimate business interests, however, overlap from one to another.

In the Martinique Hotel in Miami Beach, Isadore Blumenfield, alias "Kid Cann"—he is not shown on the chart—has been stated from a number of sources as being a large owner of that property. That real estate on which the Martinique Hotel is located is owned by a corporation. The lots south of that hotel are owned by the same corporation. One of the principal officers in that corporation is Ed Berman of Minneapolis, Minn. Ed Berman is one of three brothers. Edward Berman, FBI No. 713989, who was sentenced in the United States district court in Oklahoma, to 5 years in the United States penitentiary in connection with a Federal charge of conspiracy in connection with kidnaping. He was sentenced on October 7, 1933.

Dave Berman, FBI 52755, has a criminal record which shows a number of arrests and at least one case of conviction at the Sing Sing Prison in November, November 23, 1927.

Charles Erving Berman, FBI No. 111205, is also a brother of Ed and Dave Berman. Charles Berman goes by the alias of Chick Berman, and he now has gambling concessions in Miami Beach and was a very frequent visitor to the Club Boheme and the Club Green Acres in Broward County this past season.

The Martinique Hotel opened up in the year 1946, immediately after the war, as a new hotel. The gambling concession at that hotel was taken over by a New Yorker, a man by the name of Julius Cramer, alias Julius Steel, alias Julius Berman, and is commonly known in Miami Beach by the name of Beeman, Jules Beeman. His criminal record goes back to the year 1924 and shows a large number of arrests on such charges as grand larceny, felonious assault, and drug violations.

Subsequent to his taking over this gambling concession he was brought before the Federal court as a material witness in a special inquiry being made of the narcotics operations in this area. Jules Beeman has in the last year or so taken over as a partner in the operations of a gambling syndicate in Miami Beach known as the Little Syndicate. The Little Syndicate has been controlled by two gamblers, Sammy Clark and Harris Leveson, and in the last year and a half Jules Beeman has become one of the principal owners in that gambling operation.

The criminal records and photographs of the people I mentioned and the photographs of the hotel are there.

In searching the real-estate records of Dade County we found that Isadore Blumenfeld, along with Edward Berman, and Blumenfeld's brothers, Harry and Yiddy Bloom, were associated with the purchase of a tremendous amount of property in the Greater Miami area. Along with them was a man by the name of Abe Brownstein and his wife, Emma, S. I. Bernbaum, and his wife, Birdie Bernbaum, and S. W. and Leroy Feldman—all of Minneapolis, Minn.

As the result of a search of the real-estate records we found that Blumenfeld, Berman, and these others either jointly or individually, or partially between them, owned the LaBelle Apartments, at 344 Euclid Avenue, Miami Beach, the Hollingsworth Apartment, at 1641 Pennsylvania Avenue, Miami Beach, the Tamiami Hotel, at Northwest Second Avenue and Flagler Street, the Hotel Martinique, two undeveloped lots on Byron Avenue between Eighty-fourth and Eighty-fifth Streets, Miami Beach, a hotel located south of the Martinique Hotel, three ocean-front lots south of that hotel, a parking lot at 225 West Flagler Street, Miami, Fla., five lots in the Normandy Golf Course subdivision, two lots in the intersection of Michigan Avenue and Indian Creek Drive, Miami Beach, Fla.

The ownership of the property is not restricted to the ownership of outsiders. Our investigation disclosed, and investigations previously made by Melvin Richard, presently city councilman at Miami Beach, disclosed that the S & G Syndicate members had purchased a tremendous amount of ocean-front property, running from the Firestone estate, from Forty-third Street, Miami Beach, up to and beyond Sixty-second Street, Miami Beach, and this is probably the most expensive real estate in the nonbusiness area, nonbusiness real estate in the Miami area.

Among the property owners was Harold Salvey, Charles Friedman, Sam Cohen, Jules Levitt and his sister, Virginia Levitt, Sam Friedman, brother of Charles Friedman—all of these of the S & G Syndicate—Samuel T. Haas, a retired criminal lawyer from Cleveland, Ohio, and Thomas J. McGinty, operator of the Mounds Club at Cleveland, Ohio.

Our investigation further disclosed the ownership of a tremendous amount of ocean-front property south of Palm Beach, at Lake Worth, Fla. We found that the property on which the Palm Beach Ambassador Hotel is located, at Lake Worth, was owned by Samuel T. Haas. That building was built by the Burnstein Bros., a construction company of Cleveland, Ohio.

One of the officers in that construction company was Allard F. Roen, and Roen was the recipient of telephone calls that originated on the west coast with a large gambling operator who I believe was Mickey Cohen.

Edward P. Strong, who was formerly owner of several race tracks in Ohio, and who was a major stockholder in the Detroit race track, and who is associated with Arthur B. McBride, of Cleveland, in certain business enterprises, also was disclosed as being the owner of a large amount of property in the same area in which Sam Haas owned property at Palm Beach.

On May 23, 1950, two suits were filed in the circuit court in Dade County, asking for the rezoning of the property located north of the

Firestone estate, of which a number of lots are owned by the S & G Syndicate. These suits were brought, one by Harold Salvey, a member of the S & G Syndicate, and the other suit by Thomas G. McGinty, and the purpose of the suits was to require that the property be opened up from residential to hotel and apartment zoning. By so doing the owners of that property would increase their profits three to four hundred percent, making it possible for the owners to realize a tremendous profit in case that property could be rezoned.

The other legitimate interest of the racket element in this area is reflected in the ownership of the Lyric. It is a wired-music organization of which the majority of the stock is controlled by one Bennie Kaye, who is carried on a previous chart as the operator of gambling at the Club Collins on Collins Avenue, Miami Beach.

On February 27, 1950, we conducted an investigation to investigate and check on the activities of two men who were reported to be installing illegally and improperly telephones in various gambling locations in the Miami Beach area. As a result of our investigation we found two men driving in an automobile who pulled up in the rear of Lincoln Road in Miami Beach. These two men contacted the driver of a telephone company truck and the truck was opened and the two occupants of this car, Melvin Zeigler and Lawrence A. Bridis, driving a 1941 Buick club coupe automobile, proceeded to take telephone equipment from the truck for a period of 15 or 20 minutes; a tremendous quantity of equipment.

The original information of our inquiry was to the effect that these men were installing telephones and taking telephones out of the bookie establishments in Miami Beach. During the course of the surveillance the investigators saw these men go into various hotels to the locations of the cabanas with telephone instruments, wires, and various other types of telephone equipment and return with other telephone instruments of a different nature, which apparently they had replaced.

Since that time we have received information and are now investigating an agreement for the purchase of certain sound equipment which is used for the purpose of taking and transmitting information by wire illegally or improperly. This consists of a set whereby it can be tied into either a telephone wire or a power line, and communications can be sent over those lines by carrier current and the information picked up within an area of 12 to 15 miles.

The CHAIRMAN. Mr. Sullivan, when you reach a place where you can pause, I think you had better do so. How much longer do you think your testimony will take?

MR. SULLIVAN. I don't think any longer than 15 minutes.

The CHAIRMAN. I want you to make your full statement but we would like to notify some witnesses, if they will be needed this afternoon, or as to whether they will be needed.

A number of witnesses are here under subpoena, and all witnesses who have been subpoenaed and are requested to appear before the committee must remain in attendance at the hearings unless specifically excused. If any of you cannot conveniently be here this afternoon you might check with Mr. Robinson or Mr. Halley of the committee staff and see whether it was the intention to have you this afternoon or whether you should come back tomorrow; but do not leave unless you secure permission to do so.

The committee will stand in recess until 2 o'clock, at which time we will resume our proceedings promptly.

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order. Mr. Sullivan, will you come back to the stand?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. All right, Mr. Sullivan. Will you proceed with your testimony?

Mr. SULLIVAN. I have just a couple of items here that I would like to clear up. I had misplaced a photograph of Sam "Gameboy" Miller, and the other is Isadore Blumenfield, alias Kid Cann, and also a photograph of an apartment house owned by Herbert Manheim at 993 Bay Drive, Miami Beach.

The CHAIRMAN. They will be attached with their criminal records.

Mr. SULLIVAN. They are already in evidence.

(Exhibit No. 111 on file with committee.)

Mr. SULLIVAN. In connection with the ocean-front lots that I have testified about this morning, those lots were valued a year ago at \$800 to \$1,000 per front-foot. With the present zoning changes the lots are approximately 4 percent less at the present price of \$3,750 and \$4,000 per front-foot.

I might just conclude by briefly stating that the identities of the principal gambling operations in Dade County. The gambling in Miami Beach is more or less limited to horse bookmaking and the major operations are controlled by the S. & G. Syndicate, of whom the members are Jules Levitt, Sam Cohen, Charles Friedman, Harold Salvey, Eddie Rosenbaum, and Harry V. Russell, the latter being a member only for about the past 15 months, and he formerly was connected with the Capone Syndicate as a partner in the operations of gambling of Charles Gioe and Ralph Pierce at the Silver Bar at 400 South State Street.

The Miami Syndicate—an old gambling syndicate—has more or less headquartered their operations at Club 86. This club has not been open for gambling for the last 2 years. However, some of the members have their individual horse-bookmaking operations and the identity of the members of Charles Thomas, Merle Yarbrough, Jack Friedlander, Cliff Spikes, and Marty Richman.

The Sunny Isles Casino is located at Sunny Isles. It is run by Ike Miller and three members of the S. & G. Syndicate from Miami Beach, Charles Friedman, Jules Levitt, and Harold Salvey. This year George Bowers was also an owner and I think one or more of the other members in previous years dropped out. The Island Club, which is also located at Sunny Isles Casino, and is operated by Herbert Manheim, Sam Cohen, Sam "Gameboy" Miller, of Cleveland, and Jack Friedlander.

I think that summarizes the general gambling operations—the major operations.

Mr. HALLEY. Have you to your satisfaction described the operation of the S. & G. Syndicate?

Mr. SULLIVAN. I haven't described them. I might be able to briefly summarize them.

Mr. HALLEY. Would you do that in summary form?

Mr. SULLIVAN. The S. & G. Syndicate is primarily a bookmaking syndicate. It has several headquarters and individual operators who come to this area ordinarily negotiate with themselves with the owners of hotels and arrange for a price for the gambling concession at the hotels. Then arrangements are made with the syndicate for cutting up the cost of the concession. The gambling operator pays the hotel himself personally whether it is \$3,000 or \$10,000. The syndicate then places its own value on the worth of the gambling concession.

If the operator has paid \$10,000 to the hotelman, the syndicate might think it is only worth \$7,000 and they will only assume one half of what they consider to be a good price.

In other words, they would assume \$3,500, or one-half of \$7,000, or whatever figure it is worth. Then, that money or obligation of the syndicate is not put up in cash. That money is paid off only out of profits. The operator then goes into business and arrangements are made with the syndicate to book bets through the syndicate, and the wire service is arranged for and the purchase of scratch sheets and other things.

A telephone ordinarily is run into the cabanas and bets are taken both in the hotels and on the beach.

Mr. HALLEY. Who are the members of the S. & G. Syndicate?

Mr. SULLIVAN. I have just given them a few minutes ago.

Mr. HALLEY. Did you mention Russell as a member?

Mr. SULLIVAN. Yes, I did.

Mr. HALLEY. When did he become a member?

Mr. SULLIVAN. In the spring of last year—the spring of 1949.

Mr. HALLEY. What were the circumstances leading up to Russell's becoming a member?

Mr. SULLIVAN. Early in February, at the top of the season—the season runs from about the 15th of January to about the 5th of March; or even later than the 15th of January; around the 1st of February—shortly after the 1st of February 1949 the wire service was suddenly shut off in Miami Beach, and then, on subsequent days, it was shut off in the rest of the south Florida area, in Broward County, Monroe County, and Dade County. With that service being shut off, it practically put organized bookmaking out of business. It remained off for a period of 10 or 12 days and when it was renewed, Harry Russell was brought in as a partner in the S. & G. Syndicate.

Mr. HALLEY. He had not appeared as a partner before then?

Mr. SULLIVAN. Not at all.

Mr. HALLEY. Have you described the operation of the syndicate in Miami to your satisfaction?

Mr. SULLIVAN. I think so. The major operations, as I say, were in Club 86. Some of the operators had been connected with the operations of the Tepee, a night club and gambling place located on Southwest Eighth Street, which is run off and on during the season generally for a number of years.

The individual members of that syndicate have participated in other forms of gambling such as Bolita, numbers, as individuals. This syndicate also goes under the name of the ABC Co. as the legal entity.

Mr. HALLEY. What gambling operations funnel out of Club 86?

Mr. SULLIVAN. Normal crap, roulette, chuck-a-luck, bird cage; it is a large gambling place.

MR. HALLEY. Can you state where S. & G. gets its service today?

MR. SULLIVAN. No; I can't.

MR. HALLEY. Do you know whether it does get wire service or whether it got wire service during the past winter?

MR. SULLIVAN. I do.

MR. HALLEY. But you do not know where?

MR. SULLIVAN. No; I don't.

MR. HALLEY. I have no further questions.

THE CHAIRMAN. Senator Hunt?

SENATOR HUNT. This morning, Mr. Sullivan, in your testimony you told us of watching the transfer of a very good deal of telephone equipment from a telephone truck to a passenger car. Was that transaction reported or was anything done about it? Was it looked into?

MR. SULLIVAN. Yes; we reported it. The two men who investigated it reported it to the office of the county solicitor for a determination of whether there was evidence enough for prosecution on the question of whether they could identify the material that might be found in the car of these two men as being telephone company property, and it was taken under advisement. He considered making some further investigation to either search the car or bring the men in for questioning in an effort to locate the property, but nothing more was done about it.

SENATOR HUNT. You don't know whether the telephone company itself was apprised of this situation?

MR. SULLIVAN. Yes; they were apprised of it. In fact, I talked to the officials of the telephone company, and it was agreed that the matter would be taken up with the county solicitor's office.

SENATOR HUNT. Nothing came of it?

MR. SULLIVAN. Nothing came of it.

SENATOR HUNT. You are probably acquainted with the situation here better than any other individual. Would you care to make any kind of an estimate of the gambling take in this area in any one season?

MR. SULLIVAN. That would be difficult. I would say that the gross take of the S. & G. Syndicate on Miami Beach alone runs between \$30,000,000 and \$40,000,000 a year, and that their net runs somewhere between \$4,000,000 and \$8,000,000 per year.

SENATOR HUNT. And that doesn't include the gambling take?

MR. SULLIVAN. And that doesn't include the gambling houses and other gambling operations.

SENATOR HUNT. Would you care to make any estimate—just a guess—as to what you think the total value of the gambling business runs to here in a season, just to give us an idea?

MR. SULLIVAN. I would say that probably the rest of the gambling in the county doesn't amount to any more than what the S. & G. makes; probably runs somewhere around \$10,000,000—\$8,000,000 to \$10,000,000.

SENATOR HUNT. Let's not limit it just to one county; to this area—the Miami area. What would you estimate the take to be?

MR. SULLIVAN. Senator, I really just couldn't do it. I am not familiar enough with all their gambling operations in Broward County to come to a conclusion. It runs up to quite a large sum of money.

SENATOR HUNT. Well, let me just suggest that it may be \$25,000,000. Now, would you care to, or could you give us, any idea of what part of that \$25,000,000 goes out of the State, goes into the cities where the heads of these gangs are established?

Mr. SULLIVAN. Well, I think in Broward County a large proportion of it—a fairly large proportion of it—will go north. In Dade county, a great number of the gambling concessionaires are S. & G. people located in other States like New York and New Jersey who come down here during the season. That money in great measure will go out of here. At least their 50 percent share will go out. The 50 percent share that the syndicate takes of course will stay here, but it would be hard to estimate what proportion of that would leave the State and what part would stay in.

Senator HUNT. Now, to further develop the line of reasoning I suggested this morning, do you think gambling is an asset to this community?

Mr. SULLIVAN. No, I don't.

Senator HUNT. Economically?

Mr. SULLIVAN. No, I don't.

Senator HUNT. What do the people think?

Mr. SULLIVAN. I think there is quite a large group of people that think that gambling is an asset in that it is an inducement to the tourists.

There is, I think, a rather common and accepted opinion that gambling is a question of placing a dollar bet and that is all, and the basis upon which the people make up their minds seems to be that by doing that, there is no harm in placing a dollar bet, but the ramifications of when it becomes highly organized and operated by syndicates doesn't seem to reach the average person.

Senator HUNT. Do these gamblers maintain local bank accounts?

Mr. SULLIVAN. Yes; a great number of them do. I have no way of estimating how many do and what percentage doesn't.

Senator HUNT. Does a crap game bank daily?

Mr. SULLIVAN. It depends upon the game. If it is a large game, the banking in great measure is done through an armored truck service which acts more or less as the bank. The money is put in the armored truck and it is kept overnight and it comes back the next day, so the armored truck actually becomes the bank or the place of deposit of these funds during the gambling season.

Senator HUNT. Do you think there is any honest record made of the winnings of these various gambling institutions so that the Government may have a check for income tax purposes?

Mr. SULLIVAN. No, I don't. It is too easy to take money off the top. You can figure an operation where a gambling place could lose, and they probably do lose, on an average of \$20,000 a night for 5 nights. That would mean \$100,000 that they are in the hole. But if they were to run a lucky night where they might make \$75,000, it would seem very foolish for a gambling operator who is operating outside the law to take that \$75,000 and declare it all as a profit when he is already \$100,000 in the hole. There is nothing to stop him from putting that \$25,000 in his pocket and making an accurate return on the rest of the money, and to so instruct his accountants to make an accurate check on the money or records that he turns over to the accountant.

Senator HUNT. Your crime commission, like the Chicago Crime Commission and the other crime commissions in the various cities, without a question of doubt has been doing tremendously excellent work.

Would you care to tell the committee some specific results that you think you have obtained from your work?

Mr. SULLIVAN. I think that the specific results that we have had down here cannot be measured in any suits that were brought, in any better law enforcement except the law enforcement that has come about through the pressure of public opinion.

Miami Beach gambling, for instance, last year closed down in June and remained closed up until the first of this year, practically tight as a drum for the first time in many, many years. Then it opened up on a more or less sneak basis, and as time went on it opened more and more and it closed down again around March. The gambling houses closed down.

I believe it was due in great measure to the pressure we put on these gambling operations around the middle of February of this year, well before the season was over. That is the top of the season.

We brought an injunction suit against one gambling place after we obtained information that a mob from Philadelphia was moving in on it—the Turf Club—and we got an injunction against that place.

The difficulty that we find in attempting to enforce the law is that it is an expensive proposition: where the work of prosecution of the case is not taken care of by somebody that is on a payroll; where you have to hire attorneys to prosecute the case and you must hire witnesses to testify; to make investigations and to appear in court, and the thing is dragged out over a long period of time so that it handicaps us to the extent that one injunction suit will cost as much as \$800 or \$1,000. That is the difficulty of trying to do something by individual operations.

In great measure we have attempted to arouse public opinion against the evils of it because we are a new organization on the detrimental effects that it has on the community not only because of the money being diverted from legitimate channels but because of the fact that this widespread gambling is an inducement to these racketeers to come down and invest some of that money in these gambling houses and gambling operations and that money is very difficult to trace.

We know that the result of it is that the money does go into these gambling operations and we find ourselves with a tremendously large criminal population, and we think it is bad on the community because some of the money passes from the illegitimate channels into the legitimate trade in the purchase of hotels and different companies and operations so that after they are here for a while, it is difficult to find out who owns what or who you are dealing with.

So, in great measure, our operations have been directed to appealing to the people in arousing an interest on the part of the public to demand of the public officials that they enforce the law.

Senator HUNT. One more question, Mr. Sullivan. Greater Miami here has a project that you have been working on for a great many years—an educational, cultural, and trade center—a sort of continuous exposition that they are looking forward to and have been working on, with the possible expenditure in lay-out of grounds and buildings and some sort such as that of as much as \$60,000,000. It is to encompass a trade center and an educational center and a cultural center for the Western Hemisphere.

Do you think the reputation that Miami is gaining by virtue of this gangster headquarters in wintertime being perhaps the outstand-

ing gambling area of the States today will work to the disadvantage of that greater Miami project that all Miami is looking forward to?

Mr. SULLIVAN. I certainly do. I think it has an effect upon the investment of any money in this area, particularly where it gets to a point where there is a possibility of the racket element obtaining political control through bribery and corruption and what not of our Government, because legitimate businessmen don't like to invest money, as you know, in any area where their investment is not secured by established law and order.

Senator HUNT. I think that is all.

The CHAIRMAN. You spoke of the Miami Crime Commission employing attorneys to prosecute cases against these criminals; is that correct?

Mr. SULLIVAN. Injunction suits.

The CHAIRMAN. Injunctions. How about the regular prosecuting attorney here in Dade County? Do they prosecute the suits against these people?

Mr. SULLIVAN. Very rarely; that is, of any gambling operation of any size.

The CHAIRMAN. Have you turned information over to them, and what happened to the information that you turned over to them, if you have?

Mr. SULLIVAN. Senator, the operations of these gambling places are so well known down here that it is a matter of common knowledge. It is practically reported in the press that this gambling place is running wide open and the next gambling place is running wide open. It is not a question of sneak operations. It is just common knowledge, and the different gambling places appeal to different classes of clientele. Some of the larger places have a plush clientele.

The CHAIRMAN. I know if you don't live here you can't be here but 30 minutes and make any inquiry when the season is on without being told about all of these places.

What is the local prosecuting attorney doing or what has he done to close them up?

Mr. SULLIVAN. There has been no particular action taken locally.

The CHAIRMAN. No particular action. What special action or any action?

Mr. SULLIVAN. No action that I know of to close them down.

The CHAIRMAN. How about the sheriff? What is his responsibility in that matter?

Mr. SULLIVAN. The sheriff has a responsibility.

The CHAIRMAN. Is it against the laws of the State of Florida to have these open gambling places?

Mr. SULLIVAN. Yes.

The CHAIRMAN. What does he do about it?

Mr. SULLIVAN. Nothing particularly.

The CHAIRMAN. Why? Don't you give him a lot of information?

Mr. SULLIVAN. The information, Senator, is already there. Everybody knows about it.

The CHAIRMAN. Have you heard of him closing any of them around in Miami or Miami Beach?

Mr. SULLIVAN. They close them down occasionally when something happens. For instance, the Governor was down here in February of this year and he appealed then, after going back to Tallahassee, to all

of the sheriffs of the State to enforce the gambling laws and everything closed down. There was no difficulty in closing them down.

The CHAIRMAN. For how long did they close down?

Mr. SULLIVAN. They were closed down for the rest of the season. That was around the middle of February.

The CHAIRMAN. Mr. Sullivan, the committee appreciates the fact that you have had a great deal of experience in this kind of matter in many parts of the United States. What Federal legislation do you recommend? What do you think the Federal Government can or should do to help local law-enforcement officers or State prosecuting attorneys with problems like you have here?

Mr. SULLIVAN. I think first of all that obviously there should be a much greater tightening of the enforcement of the internal-revenue laws and that the settlement of income-tax claims against known racketeers should be made very, very tight. I believe that the present law that we have on the statute books on income tax, if strictly enforced, would put a lot of these people in the penitentiary.

Secondly, there should be some obvious control over the transmission of information that does not appear to be censorship.

There should be, I believe, some control over gambling and race-track-information transmission, and then I believe also that there should be some thought given to the transportation of funds obtained by gambling operators locally in interstate commerce and the investment of those funds in other States. I don't know how it can be done, but we find ourselves in this area, like it was mentioned this morning in testimony, that the question is, "Why can't the law be enforced?"

We are confronted here, the average citizen is, with the fact that there is a tremendous quantity of money that pours in here and goes into the gambling rackets and when people run for office down here, today, it means every candidate must be able, in order to compete with other candidates, to put up tremendous sums of money to have any chance at all of winning. The only people that seem to be interested in investing in a candidate's chances for election are the fellows that are running the rackets. The average legitimate businessman won't put up a dime. So, the result is that the good will of the people that run the rackets is sought by candidates as the only means whereby a man can be assured of election. I think the conditions here may be a little bit different than in other towns because of the vast sums of money that inure to the benefit of the racket people engaged in gambling in this area.

The CHAIRMAN. In your statement, I know you don't mean to refer to all of the candidates who are elected, do you?

Mr. SULLIVAN. No.

The CHAIRMAN. I know that there are a good number of honest public officials in this section, and you referred to some of them?

Mr. SULLIVAN. That is right. I don't mean every candidate, but I mean that the man who is considering whether he should run for office or not, must always consider whether he will take a chance and try to run for office without the benefit of the money that the other candidates have, if he refuses to take money from the rackets.

The CHAIRMAN. As a result of the work of the crime commission and the increased interest on the part of some of the officials and the people, and with a greater appreciation of the tremendous evil over a Nation-wide basis as to the kind of thing that has been going on here,

do you see any evidence of an awakening of responsibility on the part of the people doing something about this problem?

Mr. SULLIVAN. I think there is a much greater civic consciousness today than there was a year and a half ago; much greater.

The CHAIRMAN. I think one trouble sometimes is that the person who makes a \$2 bet or occasionally engage in some such small activity may not appreciate the fact that when that is multiplied a million times, it has a corrupting influence on government all over the country, and that it becomes a very serious problem and that is what this committee is interested in.

Mr. Sullivan, we appreciate your fine work.

I believe Senator Hunt has another word.

Senator HUNT. Mr. Sullivan, I wanted to get your reaction to this situation.

We have noticed in some of the evidence that has been submitted to us that there are income-tax returns where local gamblers make large, generous, and many contributions to local charities; to the Red Cross, to the Boy and Girl Scouts, polio campaigns, the cancer drive. All of those various organizations seem to accept this blood money as a contribution. Don't you think that these organizations probably would be—would it not be better for the community if they wouldn't allow these gamblers to buy public opinion or buy the editorial page? I don't mean that literally as far as the papers are concerned, but just that expense; wouldn't it be better for the local people to lay off soliciting these gamblers for those contributions, for naturally when those gamblers make such contributions, they know what they are doing. They are buying public opinion. I want your comments on that.

Mr. SULLIVAN. Undoubtedly that is true, because the contributions run up into very large sums of money, and, of course, that is a part of the public relations and more or less can be written off at the top as a deductible item, but the effect on the community, of course, is that it leaves with the public that these organizations and the members of these organizations the feeling, "Well, that is a good group because they are supporting our worthy enterprise and our endeavors and our aims," and it certainly has a bad effect. And, of course, along with that money or income that is derived from gambling that goes to the charitable enterprise, there is more money that goes into the investments in the political candidates for office, and that also has an effect on the community directly.

The CHAIRMAN. Of course, the answer is, it would be better to get rid of them and leave all this money in the hands of the decent people so that they could give it to charities.

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Thank you, Mr. Sullivan. We will be calling on you some more.

I think Mr. S. M. Perkins has a record to put in the files. Is Mr. Perkins here?

Come around, Mr. Perkins.

TESTIMONY OF S. M. PERKINS, ACCOUNTANT

The CHAIRMAN. Mr. Perkins, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. PERKINS. I do.

The CHAIRMAN. All right, Mr. Halley.

Mr. HALLEY. What is your address, Mr. Perkins?

Mr. PERKINS. My home address is 340 Candia, Coral Gables, Fla.

Mr. HALLEY. What is your business address?

Mr. PERKINS. 505 First National Bank Building, Miami, Fla.

Mr. HALLEY. What is your business?

Mr. PERKINS. My business is public bookkeeping and income-tax work.

Mr. HALLEY. Were you served with a subpoena of this committee to produce certain records?

Mr. PERKINS. I was.

Mr. HALLEY. Pursuant to that subpoena, have you produced certain records?

Mr. PERKINS. I brought what records I have.

Mr. HALLEY. Would you state what records you have produced and give them to the committee at this time?

Mr. PERKINS. This subpoena called for a great lot of stuff with which I have no connection whatever. The only work I do that is connected with the S. & G. Syndicate is Charles Friedman's and his brother Sam.

Mr. HALLEY. What work do you do for Charles Friedman?

Mr. PERKINS. I keep the night-club books and his personal books.

Mr. HALLEY. What work do you do for Sam Friedman?

Mr. PERKINS. He is Charles' brother and they are partners.

Mr. HALLEY. You keep the night club and personal books for both Charles Friedman and Sam Friedman?

Mr. PERKINS. Yes; Charles and Sam.

Mr. HALLEY. Have you, pursuant to subpoena, brought all of the books and records in your possession relating to Charles Friedman?

Mr. PERKINS. I think so.

Mr. HALLEY. Will you produce them at this time?

Mr. PERKINS. The books are in the back of the room, and the canceled checks.

For the information of the committee I don't know but two of the people connected with the S. & G. I have never been in one of their bookie establishments and I have never been in their offices. I have been living here in Miami about 22 years, and I think I have done Charlie's books and Sam's for about 15 years during that time. The only figures I have are just Charles' and Sam's figures on the night club.

Mr. HALLEY. Will you now produce the books and records that you do have relating to Charles and Sam Friedman and identify them as you produce them?

Mr. PERKINS. Here is a ledger called "general ledger."

The CHAIRMAN. Let that be made an exhibit to your testimony. That will be exhibit No. 116. (Later returned to witness after analysis by committee.)

Mr. HALLEY. Is that Charles and Sam together?

Mr. PERKINS. That is Charles and Sam. They trade under the name of Charlie's Inn. That is a night club.

Mr. HALLEY. Charlie's Inn?

Mr. PERKINS. A night club; yes. This is the journal.

The CHAIRMAN. The journal will be made exhibit No. 117. (Later returned to witness.)

Mr. PERKINS. And this is the canceled checks for the last—I think they go back to January 1936 and I have them here through 1949, and the 1950's are in my office. I didn't think you were that far down.

The CHAIRMAN. Mr. Perkins, it may be we will want to see the 1950 checks.

Mr. PERKINS. You can get them in 20 minutes if you want them.

The CHAIRMAN. I think it would be well if you would bring them over and the auditors of the committee will go over them with you.

Mr. PERKINS. All right. I hope to be able to do that tomorrow because I have to do some payroll work this afternoon.

Mr. HALLEY. Do you have with you copies of income-tax returns and work sheets?

Mr. PERKINS. The accountants have those files and I didn't bring them. This bunch of stuff here is from one accountant's office and these two here are in another, and they have my income-tax files.

Mr. HALLEY. Which accounts are they? Will you name them?

Mr. PERKINS. Joseph A. Post.

Mr. HALLEY. What is his address?

Mr. PERKINS. Certified public accountant.

The CHAIRMAN. Let's get this first. You are entitled to get copies of the income-tax returns?

Mr. PERKINS. I can get them.

The CHAIRMAN. Will you bring them this afternoon?

Mr. PERKINS. Yes. I would like to bring them in the morning. I don't have time to get back.

The CHAIRMAN. That is all right.

Mr. PERKINS. Two of the books are all at Blumin & Roberts' office, 420 Lincoln Road, Miami Beach. They seem to be working on the income-tax part of it in connection with an income-tax settlement with the Government.

Mr. HALLEY. After the records in your own possession have been produced and the records in the possession of Joseph A. Post and the records in the possession of Blumin & Roberts have been produced, will the committee then have all of the records of which you know pertaining to the Friedmans?

Mr. PERKINS. They will.

Mr. HALLEY. Now, will you deliver to the committee the remaining records that you have here?

Mr. PERKINS. Here is the journal from January 2, 1946. They have two bank accounts. One is with the Mercantile National Bank, on the beach, and the other is the First National Bank, on Miami Beach. These are the monthly bank statements and the canceled checks covering the same period.

The CHAIRMAN. They will be identified as exhibit No. 118, the canceled checks. (Later returned to witness.)

Mr. PERKINS. Here are statements from the banks for the year 1949.

The CHAIRMAN. Let them be identified as exhibit No. 119. (Later returned to witness.)

Mr. HALLEY. Is that all you have, Mr. Perkins?

Mr. PERKINS. That is all I have.

The CHAIRMAN. Mr. Perkins, you will remain under subpoena in the event the committee wants to question you about any of these records.

Mr. PERKINS. All right.

The CHAIRMAN. We have no questions to ask of you at this time.

Mr. PERKINS. Thank you.

TESTIMONY OF RICHARD ERVIN, ATTORNEY GENERAL, STATE OF FLORIDA, ACCOMPANIED BY MESSRS. GASQUE, TONI, AND HORTON

The CHAIRMAN. Do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. ERVIN. I do.

The CHAIRMAN. Mr. Ervin, the committee appreciates your attendance here. Let me say that the chairman of the committee is acquainted with Mr. George Owen who is one of your assistants in the States' attorney's office, in the office of the attorney general, I believe.

Mr. ERVIN. That is correct.

The CHAIRMAN. Who has the good fortune to come from the State of Tennessee. The chairman has had an opportunity over the course of 8 or 9 months now of having several conferences with Mr. Owen. Now, before we proceed, I want to express our appreciation to him for his help and also for his suggestions, and we want to thank you for your suggestions and cooperation that you have given us.

Mr. ERVIN. Thank you, Senator. George Owen is a very fine lawyer who served in the Navy during the war in the intelligence division, and prior to that was a probation officer under Federal Judge Long.

The CHAIRMAN. Mr. Ervin, do you have some of your staff whom you would like to have come up with you?

Mr. ERVIN. I have Mr. Gasque and Mr. Toni. Mr. Horton will be in a little later. He had a court hearing at 2:30 and he will be here in a moment.

The CHAIRMAN. This is Mr. Gasque here?

Mr. ERVIN. Yes, sir.

The CHAIRMAN. Bring them around and have them sit with you.

Gentlemen, in case you have something to do or say, under the rules of our committee, I will ask you to be sworn.

Do you solemnly swear that the testimony you are to give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. GASQUE. I do.

Mr. TONI. I do.

Mr. HORTON. I do.

Mr. HALLEY. Mr. Ervin, as attorney general of the State of Florida, you are familiar with the race wire service which has been operating in the State of Florida for the past several years?

Mr. ERVIN. Yes, sir; I am, Mr. Halley.

Mr. HALLEY. In fact, you testified on previous occasions with relation to it?

Mr. ERVIN. Yes, sir; at the hearing of the subcommittee, and Senator Hunt was there at the time.

Mr. HALLEY. As you know, the jurisdiction is, in part, the same as that committee, but this committee has jurisdiction in connection with organized crime operating through the channels of interstate commerce and in testifying here today you may want to broaden your testimony within the scope of the relevant testimony before this committee.

Before proceeding, however, would you describe section 550.07 of the Florida Statutes of 1941 relating to campaign contributions and will you describe the effect thereof?

Mr. ERVIN. This section of the statutes, Mr. Halley, makes it illegal for any race track to contribute to the campaign of any political party or any candidate for a State, county, or municipal office. And then it provides that the racing commission may revoke the license or permit if it is determined that such contributions have been made.

Mr. HALLEY. Is the prohibition restricted to race tracks or also to persons connected with race tracks or controlling race tracks or who are officers or stockholders of race tracks?

Mr. ERVIN. It also includes those.

Mr. HALLEY. In other words, those persons would be prohibited, under this statute, from making campaign contributions; is that right?

Mr. ERVIN. Yes, sir.

Mr. HALLEY. Is there a penal provision, Mr. Attorney General?

Mr. ERVIN. I am not familiar with it. I don't believe there is. I think the punishment consists in the revocation of a permit.

Mr. HALLEY. The permit referring to the permit to operate the race track?

Mr. ERVIN. Yes.

Mr. HALLEY. By "race track" do you include horse race tracks; is that correct?

Mr. ERVIN. This statute from which that section is taken relates to horse and dog race tracks.

Mr. HALLEY. Horse and dog race tracks?

Mr. ERVIN. That is right.

Mr. HALLEY. Now, would you also at this time inform the committee and interpret for the committee section 365.02 of the law relating to railroads and other regulated utilities?

Mr. ERVIN. Oh, yes. Mr. Halley, that section is the 1949 law that banned wire service to bookmakers, and I might add that prior to the enactment of that section of the law, the Florida Railroad and public utilities commission had no authority to cancel any private wire or leased wire because it was being used to furnish bookmaking information. That was a new innovation in our State enactments and started this chain of effort, I think, to shut off the wire service to the bookmakers.

I want to add this, if I may: until the people of Miami and others who are interested in getting this bookie bill enacted, it wasn't considered by State officials other than perhaps the Governor, to use his powers in relation to seeing that the laws were faithfully executed to enter into the field of local law enforcement.

I have heard the other testimony here. When I was campaigning, I came down to this community and I campaigned aggressively and I saw numerous people that I see here today. We thought it was a local problem. I have been attorney there for the State roads department, assistant attorney general, and we hadn't entered into it, but

when this law was put on the books, I was immediately made a defendant in a suit to have it declared unconstitutional. The Supreme Court upheld the law.

Mr. HALLEY. Could you give the dates?

Mr. ERVIN. Yes. The Supreme Court upheld that law on December 19, 1949. The legislature enacted this law at the regular session in May of 1949. The Supreme Court upheld the validity of this law.

We discussed the matter with our utilities commission and the utilities commission pointed out to me that every one of these contracts for a private wire passed through my office for investigation and that I had to make a report on it and it was my duty to advise whether or not I thought it was legal or illegal.

So, as a sworn duty, I set up an investigative division in my office. I named Assistant Attorney General Toni here, and I secured a former investigator for the Governor's office for two or three administrations in the past, Mr. Gasque.

I sent them out to investigate the wire-service contracts. There was no trouble, Mr. Halley, in shutting off the service that was furnished by the Western Union. That it was a notorious contract was clear. There were 140 drops, I believe, in south Florida where the wire service was furnished by Western Union. But immediately after the railroad commission canceled out the Western Union wire-service contract, that was all part of the Continental Press Service and the other services—Hagerty, Interstate, the News, and the others—we found that the bookmakers in this area converted to telephone. They began to use long-distance telephones.

So, in order to make a showing—we felt we had that duty to do—we sent Mr. Gasque and Mr. Toni and Mr. Horton here, who is assistant attorney general in Miami, stationed here all the time, and Mr. Owen—they began a drive to try to find out about the telephone service and we did find it, and I testified before your Committee on Commerce that when they knocked out the telegraph service, we found that they were using the telephone to call out of the State.

We think that there is no question but that the Continental Press Service is a national wire service. They use the telephone and they use any means that is possible to get the information, and we have started proceedings to knock out those telephones. It is an inescapable duty.

I think we are doing the best we can and we are cooperating with the local enforcement officials, with the crime commission and others to do the job.

I want to commend this committee on what it is doing, too. When I got into this phase of law enforcement, I didn't realize the ramifications of it. I didn't realize the moral and economic points involved in it, but there is no question in my mind, Senator Hunt, but what we are having a moral reawakening in this community and in the State.

When I ran for office, I didn't realize what the implications were. I thought that I would sit in Tallahassee and be the State's lawyer and I would not have anything in particular to do with local law enforcement.

This law has opened our eyes. We are into it, and I commend this committee that it is something that we need here.

The majority of the people in Miami, I think, sympathize with this thing. There are a great many people in the courtroom today

that disagree. They have all kinds of arguments. They say, "Why, you are just a crusader, a farmer. You have no chance for the enforcing of the law against gambling."

They say, too, that people are going to gamble regardless of what you may do. They say that it is necessary for the tourist business. I think they are mistaken.

Conditions have gone on here so long as they have that they don't realize that there is a moral reawakening in this country, and I think Senator Kefauver and Senator McFarland and Senator Hunt realize the implications of it, and even we can't stop crime. We can't stop traffic violations, but we can make an effort and do the best we can. The newspapers are doing their part. The crime commission and many good citizens and the people of Miami, I think the majority of them, are going to join in this effort. We need the assistance of the Federal Government.

A lot of people say it is not right for the Federal Government to encroach on our law enforcement, but the picture is well known about the tie-ins of this wire network and all the people who are a part of it. They are encroaching on us, and on the morals of our community, and we need the help of the Federal Government.

I think that the bill that your committee put out is a good bill, but I don't think it goes far enough. I wish it were more on the order of our State law. I wish that we could shut off the rapid results as well as the information about betting and the odds and I think, too, that some of these legitimate news disseminators ought to join and help us in it, and I know that I am going on that and feel that you are not particularly interested, but the thing is educational, and I think that our law enforcement officers, as Senator Kefauver said the other day, many of them are honest and conscientious and they realize that the State means business and that the Federal Government means business, and that we will get somewhere, and we commend you for the effort you are making, and I hope we have a Federal law putting the crime commission, the FBI and the others into the field so as to supplement the effort that is made here in the State.

Mr. HALLEY. Mr. Ervin, in the early part of 1949, was the wire service discontinued to the Miami Beach area?

Mr. ERVIN. It may have been, but it certainly wasn't by reason of any action I took or anyone in Tallahassee. I don't know about that. The wire service—the telegraph wire service—was cut off sometime in December of 1949.

I have heard testimony here of Mr. Sullivan, and it may have been cut off because of some disagreement among the people who have carried on those operations, but I don't think the men in my office had anything to do with it.

Mr. HALLEY. Didn't it come to your unofficial attention that in the early part of 1949, without any official action, but purely because of some dispute among the bookmaking establishments, the wire service was cut off?

Mr. ERVIN. Mr. Halley, I did hear that, but I want to confess to you that back in the early part of 1949 this business of entering into local law enforcement on bookies simply didn't—it wasn't something that we were greatly concerned with, and I didn't pay much attention to it.

Mr. HALLEY. But since then you have learned that it is a serious matter of at least State-wide concern?

Mr. ERVIN. Yes; we feel that it is, and we follow the policy in our legislature that recognizes it as an evil.

This law was only passed after two scandals. They tried to pass it in the 1948 legislature. The scandals that developed there were on bribery attempts, and they probably wouldn't have passed it in the 1949 session except for bribery attempt which was disclosed and brought to light, and that may have had a great deal to do with its passage.

Mr. HALLEY. I believe you have gone on record as stating that the bookmaking and gambling is dominated by syndicates with men in it so big that they can bribe and influence public officials?

Mr. ERVIN. I feel that that is true, Mr. Halley. The profit motive in this thing is tremendous, and they naturally have to protect their investment; and, if they can bribe or buy anybody, they naturally will do it.

Mr. HALLEY. Have you any specific evidence that you could bring to the committee's attention at this time relating to those matters?

Mr. ERVIN. No, sir; I cannot give you an instance of bribery attempts. I do know, though, that other than those two that I told you about in the legislature—I know it was stated many times in the newspapers—and I think Senator McFarland stated up there that it was recognized here in Florida that there was a purchase of official tolerance and because it was so widespread and so notorious and must have been—there again, I have no specific evidence on it, but it couldn't have been permitted without condonation on the part of some public officials.

Mr. HALLEY. That is all I have.

The CHAIRMAN. Senator Hunt, do you have any questions?

Senator HUNT. No; I don't believe I have any questions, Mr. Chairman, but I should like to compliment the attorney general on his statement with reference to what effect he feels this racket has on morals and the economic effect it has on the locality.

I would like to make this one observation, Attorney General Ervin: Over a long period of years, to the best of my knowledge, the man who runs for office on a program of good clean law enforcement, and if it is fought on those grounds and those grounds alone, generally wins.

Mr. ERVIN. Senator, I hope so.

Senator HUNT. There are exceptions to every rule.

Mr. ERVIN. That is a chance that I am taking, and I may have guessed wrong on it, but I don't feel that I have any alternative.

In view of the situation, I will state the policy and then what I hope is an innate feeling about the subject.

Senator HUNT. I don't think you have guessed wrong. I think the statements that you have made today have been made known through the State of Florida through the press, and they have enhanced your position no end, Mr. Attorney General.

The CHAIRMAN. Mr. Ervin, let me get this clear now. Prior to the passage of this Wire Act, the wire services operated in sending the news out so that any bookie could get it and there was no restraint on their operation?

Mr. ERVIN. Yes.

The CHAIRMAN. As I understand it, the Wire Act prevents the intrastate use of wire services; is that right?

Mr. ERVIN. That is true.

The CHAIRMAN. After the passage of the act, didn't you have a great deal of difficulty about the information being sent to some out-of-State place and then coming back on the Continental Wire Service?

Mr. ERVIN. We did. It came back.

The CHAIRMAN. Tell us about that.

Mr. ERVIN. I would like for Mr. Horton to tell you that, if you don't mind, Senator.

I will say this, though: We found that Continental Press Service on tracks out of the State as well as tracks in Florida—the Associated Press is a subscriber of Continental Press Service, and before the information would be sent out by Associated Press to its subscribers, flashed back by Associated Press wires would be the Continental Press Service, and it would come back in 2 or 3 minutes after races were run at practically any track in the country.

The CHAIRMAN. You mean after a race was run, say, at Hialeah?

Mr. ERVIN. Yes.

The CHAIRMAN. The news would get through?

Mr. ERVIN. It would come back.

The CHAIRMAN. And come back on wire service within 2 or 3 minutes after a race would be run?

Mr. ERVIN. That is right.

The CHAIRMAN. Do you feel that that was beyond your jurisdiction because it was an interstate transaction and there was nothing you could do about it?

Mr. ERVIN. I felt there was nothing we could do about it, Senator, and there is no way to approach it unless we get Federal legislation. Assuming that we do get the cooperation of the legitimate news services and they cut it off and delay it a few minutes, anyone can call Valdosta, Ga.; or call New Orleans, La., and get the race results from any subscriber that may be on Associated Press' or Continental Press' line or anyone.

This system of getting information is so widespread that all you need is a long-distance line to pick it up.

We made a raid in Jacksonville only a few days ago and we found that they were calling Minneapolis, Minn.; Valdosta, Ga.; Augusta, Ga.; and Bristol, Tenn.

The CHAIRMAN. For your information, that Bristol is on the State line between Tennessee and Virginia. The telephone company may be in Tennessee, but I am sure the information came from across the line in the other State. [Laughter.]

You have examined the police power to cope with these transactions and you have determined after an exhaustive examination that you have no right to interfere with interstate communications?

Mr. ERVIN. That is right.

The CHAIRMAN. By State statute?

Mr. ERVIN. That is right.

The CHAIRMAN. Mr. Ervin, you spoke of the 1947 legislature and the public scandal of trying to bribe a member of the legislature to use influence to prevent the passage of this Wire Service Act?

Mr. ERVIN. Yes.

The CHAIRMAN. And it was defeated in that legislature?

Mr. ERVIN. Yes.

The CHAIRMAN. Who was it that was trying to stop the passage of the legislation?

Mr. ERVIN. Senator, I don't know who the parties were that supplied the money, but I do know that two members of the House of Representatives have publicly stated that another member of the House of Representatives offered them a bribe to vote against the bill.

The CHAIRMAN. Was it a very large sum of money, too?

Mr. ERVIN. No, sir; it was not. I think it was only \$500. At the 1949 legislature, it was supposed to have gone up to \$2,000.

The CHAIRMAN. Who brought the injunction suit against the State for testing the constitutionality of this law?

Mr. ERVIN. That was brought by Walter M. Hagerty, John McHenry, a corporation by the name of Interstate News Service, and H. E. Bilson Radio Program Service.

The CHAIRMAN. What sort of cooperation have you gotten out of the telephone company in Florida in your efforts to prevent telephones from being in places where the users can telephone information out immediately?

Mr. ERVIN. We are getting better cooperation the farther we go along.

The CHAIRMAN. What do you mean by you "are getting better cooperation"?

Mr. ERVIN. They would want to give us no information about telephones nor would they let us go in and check with them on phones that were listed as possible phones of bookmakers.

After we got further along with it and they saw that we meant business, they began to allow us to check their toll records and to give us information when we found a phone and gave them a number for it.

They said they didn't want to get into the police end of it. They didn't want to assume that responsibility.

We are doing much better, and I would not want to be critical of them in view of the fact that they have helped us in the last few months.

The CHAIRMAN. Can you or some of your deputies or assistants tell about telephones in very strange places that appeared around race tracks here in Florida?

Mr. ERVIN. Mr. Toni, can you tell us?

Mr. TONI. The most typical installation that has been depended upon in the past and up until this season was known as Sunshine Park in a shack right across from the race track, where they had a turret arrangement on top of the shack and a view of the turf board where you could read the turf board with a pair of binoculars.

They had telephone connections there. We found two men there who admitted or stated that they were employees of the Continental Press Service. We found——

The CHAIRMAN. Will you furnish their names for the record—their names and addresses?

Mr. TONI. Alfred Olsen——

The CHAIRMAN. Give us what you have now, whatever you have now, and you can give us the rest later.

Mr. TONI. That particular location was on the Continental wire circuit before the Western Union wire was canceled out. We found the fuse box in there. Then there were—we found similar installations around Tropical, Hialeah, and Gulf Stream, where there were drops on the old Continental race-wire line.

The CHAIRMAN. Did you find those people worked for Continental also?

Mr. TONI. No; we were unable to catch them, but they were operating at those places. They had abandoned the known look-out places and had set up telephone connections in other locations.

The CHAIRMAN. Are there any other places—aspects, rather, of this matter—that you can tell us about, Mr. Toni?

Mr. TONI. I think Mr. Horton can describe the leased-wire circuits from Baltimore which ran into the State to Key West and the circuits which went out of the State on which the Florida race-track information was relayed better than I can.

The CHAIRMAN. Thank you very much, Mr. Toni. Now, Mr. Horton, will you tell us about your knowledge of the matter?

Mr. HORTON. Senator, I don't know whether you are interested in all this, but it is a phase I think you might be interested in.

Up until the set-up until December 1949 there was a circuit operated by the Western Union Telegraph Co. Now, to briefly state this, the Radio Program Service of 621 Munsey Building, Baltimore, Md., had a connection with the Intrastate News Service, which had its origin in Florida, in Jacksonville. The Radio Program Service was operated under the management of one H. E. Bilson. I am speaking now with copies of the contracts filed with the public-utilities commission before me, which H. E. Bilson signed as an officer of the Radio Program Service. That tied the link of Radio Program Service out of Baltimore to Florida.

The Intrastate News Service of which we have contracts here also applied to the Western Union Telegraph Co. and was furnished leased-wire service extending from Jacksonville into Key West.

Now, when those circuits went out, why, the only other alternative, I presume, was for the people who wanted that type of information to obtain it by telephone. In the course of our investigation, after the wire services went out, we found that some of these known drops on the circuit of the Intrastate News which was also on Radio Program Service in Baltimore were then calling the number of Radio Program Service in Baltimore, the same identical group.

It is a matter of public record in the Federal Reporter system the disclosure made by McBride in the case involving the Western Union Telegraph Co. in California. It is a circuit court of appeals decision in the ninth circuit decided in 1949 in which McBride made the admission he was a furnisher of information to the group in the Munsey Building in Baltimore, Md. That is the place where the southern bookmaker operators obtain their information on races.

There is a tie-up shown in these contracts at the time of the wire service with an address in New Orleans. Now, that address in New Orleans has been supplemented since the wire service is out with telephone service and these points of interest in Florida now call either New Orleans or they call Baltimore or they call Chicago directly. And, we found in the course of our investigation that direct calls are made to Continental Press Service in Chicago.

That is all I have that I believe would be of direct interest to the committee.

The CHAIRMAN. Mr. Horton, do you have copies of the various contracts and documents that can be turned over to the committee?

Mr. HORTON. These are the only copies that I have. I will be glad to have some copies made and furnish them to the committee.

The CHAIRMAN. If you will, I will appreciate it. Do you then as a specialist in this type of thing join in the Attorney General's recommendation that some method is needed to supplement the State laws by the Federal control of communications if you are going to keep this information from being used for gambling purposes?

Mr. HORTON. Senator, I am convinced that the Federal Government will have to in some way supplement the State authority beyond its borders because we have no authority over calls that originate in the State going outside of the State or calls that originate in other States coming in here and we feel that the Federal Government is the only resort we have to stop that practice.

The CHAIRMAN. Any questions, Senator Hunt?

Senator HUNT. No.

The CHAIRMAN. Mr. Halley?

Mr. HALLEY. None of this witness, but with the permission of the committee I would like to ask a few questions of Mr. Gasque.

The CHAIRMAN. All right.

Mr. HALLEY. Mr. Gasque, were you in the court while Dan Sullivan testified?

Mr. GASQUE. Yes, sir.

Mr. HALLEY. You may recall that one of the persons about whom he testified was Samuel Bratt—

Mr. GASQUE. Yes, sir.

Mr. HALLEY. Who was active in the operation of the Colonial Inn and Green Acres.

Mr. GASQUE. Yes, sir.

Mr. HALLEY. Do you know Mr. Bratt?

Mr. GASQUE. Yes, sir.

Mr. HALLEY. Have you had any dealings with him?

Mr. GASQUE. No, sir.

Mr. HALLEY. Would you describe the nature of your knowledge of and acquaintance with Mr. Bratt?

Mr. GASQUE. I will be glad to. Back 7 or 8 years ago Mr. Bratt's attorney, who is Senator John E. Mathews, from Jacksonville, who is my senator from my home-town county, introduced me to Mr. Bratt in the halls of the legislature in Tallahassee. Since that time I have in the course of my work through south Florida as an investigator for the Governor's office, and recently for the attorney general's office, come in contact with Mr. Bratt. I have gone to Mr. Bratt at times down here knowing that he had to do with the wire service and got information from him on people that I was checking on. He would very graciously give me that and I think on several occasions he has called me long distance from his home to mine in Jacksonville and on some occasions he would deliver a message like this: He was unable to contact Mr. Mathews and he would like for me to contact him and let him know that he would be in Jacksonville the next day on such and such a plane and would like to see him in his office and that he was unable to get him.

I had the misfortune, Mr. Halley, in 1947 to have a cancer of this eye and I had spent several months in the hospital, in hospitals. Mr. Bratt, I presume, knowing the position I held with the Government, thought it would be a nice thing to call and make inquiry as to how I was. Of course, I was in the hospital and wasn't at home, but he would call and inquire from Mrs. Gasque.

So far as business connections in any way are concerned I know him no more than I know Costello, Ericson, the Capone boy, the McBride boy, and all these other characters whose names have been mentioned, and also Mr. Cohen. I know Costello when I see him. I know Ericson when I see him. I have spoken to him in Miami, in some places in Miami in the last 16 years that I have been traveling the State.

I would like to say this much, that I went to work in Tallahassee under Governor Scholtz. I worked under his administration and then followed 4 years under Governor Cone and 4 years under Holland, now United States Senator, and 4 years under the former Governor preceding. In those years I have come in contact with lots and lots of criminals in my work and I always have felt that whatever little success I might have had in my work is due because I haven't tried to be hard-boiled or be too high-hatted to speak to anybody regardless of how low he might be.

As far as any connections in business with him are concerned I never had any. We knew he had no interest in bookmaking as far as the bookie business is concerned. As far as we knew he would deal with Mr. Toni and myself and on different occasions we would go to him and ask him for certain information this last winter. He would find it out for us and if we happened to be gone he would call to Jacksonville and Tallahassee to locate us and give us whatever information we wanted.

That is the entire nature of my connection with Mr. Bratt.

Mr. HALLEY. Sir, in the early part of 1950 did you have occasion to make an official investigation, to make official investigations in the Miami area?

Mr. GASQUE. Yes, sir.

Mr. HALLEY. You were staying at the El Comodoro Hotel?

Mr. GASQUE. Yes, sir.

Mr. HALLEY. Did you have a number of telephone calls from Mr. Bratt during that period?

Mr. GASQUE. I wouldn't say a number. I wouldn't know how many. He called several times to Mr. Toni and myself. He tried to get hold of one.

Mr. HALLEY. Well, did Mr. Bratt call as often as four times in a single day at the El Comodoro?

Mr. GASQUE. I don't recall if he did, Mr. Halley.

Mr. HALLEY. If he did would you be surprised?

Mr. GASQUE. No, sir; I would not.

Mr. HALLEY. Could you recall at this time the subject matter of the calls from Mr. Bratt?

Mr. GASQUE. He was giving us information on what we had asked him to check on for us.

Mr. HALLEY. What information was he giving?

Mr. GASQUE. About bookmaking over there in Broward County where we cleaned the county up.

Mr. HALLEY. Did you make memoranda about that information and put it in your official files?

Mr. GASQUE. No, sir. I just made notes of it and put it in my pocket.

Mr. HALLEY. You never filed reports about it with your office?

Mr. GASQUE. No, sir; not where we got the information from Mr. Bratt.

Mr. HALLEY. I have no further questions at this time, Mr. Chairman.

The CHAIRMAN. All right, sir. Mr. Ervin, there was one other question I wanted to ask you. Where does the responsibility for the prosecution of criminal violations under the State law rest here in Dade County and Broward County?

Mr. ERVIN. Senator, there has been a Supreme Court decision on that on a case brought by my predecessor, Mr. Watson. I will give you the citation. In that case the Court said there is a line of demarcation between the duties of the attorney general and the State attorneys.

The State attorneys and the county solicitors they have the discretion to determine whether to prosecute or not prosecute for a local law violation. They are elected officials and they determine from the facts whether or not they should prosecute.

Our office assists them and we have criminal appeals. If they call on us to brief a question we do it, but we have no control over their discretion of their right to prosecute or not to prosecute.

The CHAIRMAN. You mean, if the law is being flagrantly violated on its face, or, if the laws are being flagrantly violated on their face you have no discretion about the matter in doing anything about it?

Mr. ERVIN. Senator, I cannot control their discretion as to whether or not they shall prosecute. Wherever we have a complaint regarding a local law violation we transmit that to the State attorney or the county solicitor and ask them to investigate it and determine whether or not prosecution is warranted.

The CHAIRMAN. Have you done that——

Mr. ERVIN. We have done that.

The CHAIRMAN. In Broward and Dade Counties?

Mr. ERVIN. You mean, with regard to this crime situation?

The CHAIRMAN. Yes; that is right.

Mr. ERVIN. Senator, I don't recall having had a request of that kind that we transmitted to those officials either in Broward County or Dade County. We consulted with them about prosecution of these cases.

You see, where we made a raid and find someone——

The CHAIRMAN. Of course, Mr. Ervin, all you need to do is read the newspapers to know what is going on here.

Mr. ERVIN. That is true.

The CHAIRMAN. Well, whose responsibility is it to prosecute locally?

Mr. ERVIN. It is the responsibility of the local prosecution office.

The CHAIRMAN. Do you know why it hasn't been done?

Mr. ERVIN. I think that it probably goes back to the customs of the people here. There has been in this area a so-called liberal policy. They didn't want to crack down on certain types of gambling. I suppose much of it grew out of that, Senator.

Mr. HORTON. Senator, may I just make an observation on behalf of Attorney General Ervin, that we have signed affidavits as to the basis of the complaints in Dade County and in Broward County in

connection with our investigation of bookmaking operations and some of these cases, as far as I know, are under prosecution now.

I don't know the results of any particular case that I can tell you now, but we have affidavits of violations in these two counties that have been brought to the attention of the local law-enforcement officers and the results, and complaints have been filed against those people.

I don't think Mr. Ervin knows of that specifically.

The CHAIRMAN. What complaints have been filed? Do you know, Mr. Horton?

Mr. HORTON. Well, in particular, there was a search warrant and a warrant for arrest issued against a bookmaking operation at the Saxony Hotel in Miami Beach. That was based on information which we had obtained through other local law enforcement officers who cooperated with us and the sheriff's office of Dade County served a warrant and as a basis of that complaint arrests were made, charges were made against the individuals who were found in that bookmaking establishment.

The CHAIRMAN. How about the owners of some of these bookmaking establishments, the big boys, the S. & G. Syndicate and the Ericsons, all those fellows that you have seen on the charts here?

Mr. HORTON. Senator, they are conspicuous by their absence usually in places that you have a warrant for search and arrest, and naturally so because they have their lieutenants or employees operating it and it is very difficult to find them.

The CHAIRMAN. Do you have a conspiracy law in the State of Florida, conspiracy to violate a criminal law?

Mr. HORTON. Yes, sir; we do.

The CHAIRMAN. If they put finances into the operation, keep the books, put up the money for it, wouldn't that be a part of the conspiracy to violate the law?

Mr. HORTON. It would be if you could get positive evidence that actually happens, Senator.

The CHAIRMAN. Well, you have books and records.

Mr. HORTON. That is true, but as Attorney General Ervin pointed out the attorney general would feel we were exceeding the authority of the local law enforcement officers unless requested by the local officers.

The CHAIRMAN. It is not particularly our problem, but we got a whole truckload of books and records back here. We had no trouble getting them.

Mr. ERVIN. Senator, you want to know——

The CHAIRMAN. I want to know why somebody hasn't done it.

Mr. ERVIN. In the first place, I don't have the authority to prosecute. I can't come here and take over the prosecution of cases. Probably I might have a duty to recommend and get into it. Where we found these violations we brought everything in that we obtained in the raids, all the information we got has gone to the local law-enforcement officers for prosecution.

They cooperated to the extent of helping us on these cases where we got the information. The local officers, that is, the prosecuting officials then take this position: until the case is worked up by the sheriff they have no duty to do anything but prosecute once an affidavit or a warrant has been sworn out.

The CHAIRMAN. It wasn't my purpose to try to lecture anybody about their duty. It was just a matter of our inquiry.

Mr. GASQUE. Senator, may I say a word?

The CHAIRMAN. Yes, sir.

Mr. GASQUE. The main trouble we have is, for instance, we arrested a notorious bookmaker operating a gambling house. He had in this gambling place not only a bookmaking establishment but a roulette and other such equipment. That was the Valhalla Club in Hollywood. We went to trial in Fort Lauderdale, the county seat. This man's lawyer goes in and without informing the attorney general's office—we were represented by Mr. George Owen. Mr. Toni and myself we were sitting out in the hall under the rule to be called in as a witness—he gets up and pleads nolle contendere. The judge immediately fines him \$500 without ever hearing the State's side or the State's evidence.

In a lot of cases that we got—we got some in Jacksonville this week. Mr. Toni and I raided a big joint there where we got the warrant from the justice of the peace. We stayed right with the constable to serve the warrant for fear they would be tipped off before we got there. When we got there we got these three notorious bookmakers whom I have known for 30 years in Jacksonville. The justice of the peace made bond of \$100 and it is a felony.

So, I immediately went to the justice's office the next morning and explained to this justice of the peace who happens to be a lady the seriousness of the bookie bill, that it is a felony to operate a bookmaking joint and she agreed to raise the bond to \$500 apiece which is \$1,500 for the three men. Of course, naturally that doesn't help us any because that is just a drop in the bucket to them. They don't mind a \$500 bond.

The biggest trouble that we have is when we get one and they don't realize that the law says it is a felony to operate a bookmaking joint. They fine them \$100 or give them a suspended sentence or something like that and they get away.

The CHAIRMAN. Mr. Gasque, these people skip their bond?

Mr. GASQUE. In many cases they do. I know a case in Fort Lauderdale that never came up for trial. We never heard anything about it. I inquired and was told the man forfeited the bond and the bond was \$100. That is the cooperation we get trying to do a good job.

The CHAIRMAN. Mr. Ervin, thank you very much and thank you Mr. Toni.

Mr. TONI. Senator, those two names were Alfred M. Olsen—

The CHAIRMAN. And his address?

Mr. TONI. Miami, and L. Oppenheim, Miami. Flagler Hotel is the address.

The CHAIRMAN. And you established that they were employed by the Continental Press Service of Chicago?

Mr. TONI. That was their statement.

The CHAIRMAN. Do you have their signed statements?

Mr. TONI. No, sir.

The CHAIRMAN. Mr. Ervin, we will be very glad if you will sit with the committee here and join us. Thank you very much.

Mr. ERVIN. I will come back, Senator.

The CHAIRMAN. Mr. R. W. Howden, please.

Mr. Howden, do you solemnly swear that the testimony you will give the committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. HOWDEN. I do.

The CHAIRMAN. The committee will stand in recess for 5 minutes.
(A short recess was taken.)

The CHAIRMAN. Mr. Howden, will you stand aside just a minute? Mr. Ervin, will you come back, please?

Mr. ERVIN. We forgot to ask you what is the law of Florida with reference to the amount allowable for campaign expenditures for candidates for various offices, that is, State offices.

Mr. ERVIN. Senator, the law has been repealed that set a ceiling on the amounts that could be expended by candidates. This repeal was effected by the 1949 legislative session. However, there—

The CHAIRMAN. So, as of now there is no limit?

Mr. ERVIN. There is no limit on the amount of expenditures.

The CHAIRMAN. But the present law requires a full listing of all contributions?

Mr. ERVIN. A full listing of all contributions.

The CHAIRMAN. What was the law prior to the Legislative Act of 1949? First, the law of 1949 is not retroactive?

Mr. ERVIN. It is not retroactive. Those of us who ran in 1948 we are still under that.

The CHAIRMAN. Does the law that you were under apply to primary campaigns as well as general elections?

Mr. ERVIN. Both.

The CHAIRMAN. What is the law with reference to primary campaigns? I mean, what was it in 1948?

Mr. ERVIN. You mean, the amount of the limit?

The CHAIRMAN. Yes.

Mr. ERVIN. The exact amount of that I will get Mr. Horton to look up for me. I think it was \$5,000 for certain offices. I believe cabinet officials. As to the Governor I am not sure whether it was \$10,000 or \$12,000, but I will get that for you during the course of the afternoon.

The CHAIRMAN. Did this also require a listing of contributions?

Mr. ERVIN. Yes.

The CHAIRMAN. Where would they be listed?

Mr. ERVIN. They would be listed in the return by the candidate filed in the secretary of state office in Tallahassee.

The CHAIRMAN. How come the old law was repealed? That is repealed by the 1949 legislature. In other words, who was the moving spirit behind it?

Mr. ERVIN. As I remember it, it was a bill that was sponsored by the house committee, I think, on elections and the reason offered for the repeal was that everyone ignored the limitation on expenditures anyway, they were making liars out of everybody and it was hypocritical and they might as well get rid of it.

The CHAIRMAN. Who was the sponsor of the bill in the house and in the senate?

Mr. ERVIN. Senator, I can get that for you in the course of the afternoon. I will have to make a call to get that. I hate to guess.

The CHAIRMAN. If you will get it and furnish it to the committee I will appreciate it.

Mr. ERVIN, was there any fight made in the legislature against the repeal of this law?

Mr. ERVIN. I don't think so. As I recall it, there was a unanimous vote for the bill.

The CHAIRMAN. Do you know whether it was recommended by the Governor?

Mr. ERVIN. I don't believe it was.

The CHAIRMAN. You don't know one way or the other?

Mr. ERVIN. No, sir; I do not.

The CHAIRMAN. Did the bill originate in the house or in the senate?

Mr. ERVIN. I think it originated in the house. I can be mistaken about that, Senator; but I can get that for you by consulting the Journal records.

The CHAIRMAN. Who is the State officer in charge of the State election records of contributions?

Mr. ERVIN. Hon. R. A. Gray, secretary of state.

The CHAIRMAN. Is he an elected official?

Mr. ERVIN. Yes, sir.

The CHAIRMAN. Any questions, Senator Hunt?

Senator HUNT. How long has he been secretary of state?

Mr. ERVIN. He is going into his twentieth year.

TESTIMONY OF R. W. HOWDEN, INVESTIGATOR FOR EQUITABLE LIFE ASSURANCE SOCIETY

The CHAIRMAN. Thank you, Mr. Ervin. All right, Mr. Howden, will you come up?

Mr. HALLEY. I remind you that you have been sworn, Mr. Howden. What is your address, Mr. Howden?

Mr. HOWDEN. 1428 Northwest Thirty-second Street.

Mr. HALLEY. And, where are you now employed?

Mr. HOWDEN. I am employed as an investigator with the Equitable Life Assurance Society.

Mr. HALLEY. How long have you been employed there?

Mr. HOWDEN. One year on the 16th of June.

Mr. HALLEY. Where were you employed between 1945 and 1949?

Mr. HOWDEN. Dade County sheriff's office.

Mr. HALLEY. Under what circumstances did you leave the Dade County sheriff's office?

Mr. HOWDEN. I was dissatisfied with the circumstances there and had a chance of a better position.

Mr. HALLEY. Was that better position the one with the Equitable Life Assurance Society?

Mr. HOWDEN. Yes, sir.

Mr. HALLEY. What positions did you hold on the staff of the Dade County sheriff's office?

Mr. HOWDEN. I was in charge of the identification bureau from 1945 to 1947 and then I was assistant homicide investigator.

Mr. HALLEY. In 1949 were you considering an offer of a job of chief of police some place?

Mr. HOWDEN. Yes, sir.

Mr. HALLEY. Where was that place?

Mr. HOWDEN. At Opa Locka, Fla.

Mr. HALLEY. In what county is that?

Mr. HOWDEN. That is in Dade County.

Mr. HALLEY. Before going into that matter any further would you state who was the sheriff under whom you served?

Mr. HOWDEN. Sheriff Jimmy Sullivan.

Mr. HALLEY. Was there a man in the sheriff's office named Tom Burk?

Mr. HOWDEN. Yes, sir.

Mr. HALLEY. What position did Tom Burk hold?

Mr. HOWDEN. He was a deputy.

Mr. HALLEY. Deputy sheriff?

Mr. HOWDEN. Yes, sir.

Mr. HALLEY. Was he in charge of any particular type of work?

Mr. HOWDEN. His particular work was on the raiding squad or gambling squad.

Mr. HALLEY. In 1949 when you were considering taking the job of chief of police on the Opa Locka force at Opa Locka did you have a conversation about that matter with Mr. Burk?

Mr. HOWDEN. Yes, sir; I did.

Mr. HALLEY. Would you state the conversation as fully as you can recall?

Mr. HOWDEN. One morning—I was supposed to take the position on the 15th of June and I had submitted my resignation—It was about 2 weeks prior to my leaving that it had been submitted to the office—Mr. Burk called me aside and told me that if I was going to take a job out at Opa Locka he told me a man to see and if I saw this man he would take care of any situation that might come up there as far as the gambling situation or any payoffs might be concerned.

Mr. HALLEY. Can you be more specific? Did he tell you that this man was to see to it that you got a cut of the gambling at Opa Locka?

Mr. HOWDEN. Yes, sir; he did.

Mr. HALLEY. Was there any further conversation with Mr. Burk at that time?

Mr. HOWDEN. At that time he told me that was the man I should see and I just left it there. I didn't care anything about it.

Mr. HALLEY. Who was the man who was mentioned to you?

Mr. HOWDEN. I was supposed to see a Mr. Red Rainwater.

Mr. HALLEY. Can you identify Mr. Rainwater?

Mr. HOWDEN. I don't know him personally. I wouldn't know him if I would see him.

Mr. HALLEY. Did you sometime thereafter have a conversation with a man named George Proskoff?

Mr. HOWDEN. Yes, sir.

The CHAIRMAN. Who is George Proskoff?

Mr. HALLEY. The chairman would like to know who is George Proskoff.

Mr. HOWDEN. He is a deputy constable.

Mr. HALLEY. Where?

Mr. HOWDEN. In the first district, Dade County.

Mr. HALLEY. Would you state the conversation that you had with Mr. Proskoff?

Mr. HOWDEN. I received a telephone call—I think it was the same day that I talked to Mr. Burk. It was that evening—at home and Mr. Proskoff told me that he had \$200 for me to take a vacation before

I went to Opa Locka. I asked him what it was for and he said that Red Rainwater had sent it for me.

I told him I wasn't interested in anything that he had and if I did take the position as chief of police at Opa Locka they would know that I was the chief.

Mr. HALLEY. Did you ever take the position of chief of police at Opa Locka?

Mr. HOWDEN. No, sir. Before the time for me to go out there came up I took this position that I now have.

Mr. HALLEY. Did you have any further conversations concerning the position of chief of police at Opa Locka with Burk or Proskoff or Rainwater?

Mr. HOWDEN. None after that. I had no conversations with Rainwater whatsoever.

Mr. HALLEY. When did you last talk to this Tom Burk?

Mr. HOWDEN. About 2 or 3 weeks ago, about 2 weeks ago.

Mr. HALLEY. Where did you see him?

Mr. HOWDEN. Down near the courthouse.

Mr. HALLEY. On the street?

Mr. HOWDEN. Yes, sir.

Mr. HALLEY. And, did you have a conversation with him?

Mr. HOWDEN. I had a sort conversation with him at that time.

Mr. HALLEY. Would you state that conversation to the committee?

Mr. HOWDEN. I met Mr. Burk on the street. I hadn't seen him for some months. I asked him how he was getting along and I asked him what he thought about the situation developing in the courthouse. We had a few words and he told me that he wasn't mad at the boss, meaning Sheriff Sullivan, and that his main complaint was that the sheriff's wife had accused him of going around with large sums of money in his pockets on the streets and he said that they didn't have anything on him, that he had turned over to her amounts of \$7,000, \$8,000, \$10,000, and \$11,000 at a time; that he had signed receipts for that money.

Mr. HALLEY. Was he talking about money in cash?

Mr. HOWDEN. Yes, sir.

Mr. HALLEY. And, did he state that he had receipts signed by Mrs. Sullivan, Mrs. Jimmy Sullivan?

Mr. HOWDEN. Yes, sir.

Mr. HALLEY. Was there any further conversation at that time?

Mr. HOWDEN. No. We just passed the time of day and I left.

Mr. HALLEY. Did you at any other time have conversations with Mr. Tom Burk about pay-off money?

Mr. HOWDEN. One afternoon leaving the courthouse I believe Mr. Burk was quite upset. The sheriff, as I understand it, had called him in and reprimanded him about a new automobile that he had bought and in getting on the elevator I made a remark that he better be careful or the crime commission would get after him and he said that he didn't give a damn about the crime commission, that he made his and that he had taken care of the man with the whiskers and the rest of them could all go to the devil.

Mr. HALLEY. Did he ever in so many words admit that he was "in on the take"?

Mr. HOWDEN. In so many words; yes.

Mr. HALLEY. And it was understood between you that being "in on the take" meant receiving bribe money from gamblers, is that correct?

Mr. HOWDEN. I think that was pretty general knowledge around the courthouse.

Mr. HALLEY. Is there anything else on the subject of bribe money or about the sheriff's office which you want to tell to the committee?

Mr. HOWDEN. No, sir.

Mr. HALLEY. You were brought here pursuant to a subpoena, is that correct?

Mr. HOWDEN. Yes, sir.

Mr. HALLEY. You did not volunteer to testify?

Mr. HOWDEN. No, sir.

Mr. HALLEY. You have been offered no inducement of any kind whatsoever to testify, have you?

Mr. HOWDEN. No, sir.

Mr. HALLEY. I have no further questions, Mr. Chairman.

The CHAIRMAN. Mr. Howden, where is Opa Locka?

Mr. HOWDEN. It is located, I believe, about 18 miles from the courthouse. It is just north of the Miami Naval Air Station.

The CHAIRMAN. Is it in Dade County?

Mr. HOWDEN. Yes, sir.

The CHAIRMAN. How large a town is it?

Mr. HOWDEN. It has a population according to the last census, I believe, of about 8,000.

The CHAIRMAN. Who is Red Rainwater?

Mr. HOWDEN. He is a local gambler. I believe he is interested in numbers and some slot machines.

The CHAIRMAN. Does he have that reputation and is he well known as a gambler?

Mr. HOWDEN. Yes, sir.

The CHAIRMAN. Any questions, Senator Hunt?

Senator HUNT. No.

The CHAIRMAN. Thank you, Mr. Howden. Now, is Mr. Burk here?

TESTIMONY OF THOMAS G. BURK, DEPUTY SHERIFF, DADE COUNTY, FLA.

Mr. BURK. Here.

The CHAIRMAN. Mr. Burk, do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. BURK. I do. Yes, sir.

The CHAIRMAN. Now, Mr. Burk, you have been subpoenaed to come here and testify, is that correct?

Mr. BURK. That is correct.

The CHAIRMAN. You, of course, understand that you are under oath in giving this testimony?

Mr. BURK. Yes, sir.

The CHAIRMAN. All right, Mr. Halley.

Mr. HALLEY. Did you hear the testimony of the last witness?

Mr. BURK. I did, sir.

Mr. HALLEY. His name is R. W. Howden, is that right?

Mr. BURK. Correct.

Mr. HALLEY. Do you know the last witness?

Mr. BURK. Only by working with him.

Mr. HALLEY. Did you work with him in the sheriff's office?

Mr. BURK. We worked there in the same department.

Mr. HALLEY. What department was that?

Mr. BURK. The criminal department in the sheriff's office of Dade County, State of Florida.

Mr. HALLEY. Was he attached to your gambling squad?

Mr. BURK. Now and then he would go out; yes, sir.

Mr. HALLEY. Was that his principal duty?

Mr. BURK. No, sir.

Mr. HALLEY. What is your principal duty in the sheriff's office?

Mr. BURK. I took care of the criminal court of record, the bail in the court, served papers and in the meantime went out and made pinches of operating gambling houses.

Mr. HALLEY. Do you desire to comment on the testimony of the last witness?

Mr. BURK. Say that again, please.

Mr. HALLEY. Do you desire to comment on the testimony of Mr. Howden?

Mr. BURK. In other words, it is false.

Mr. HALLEY. Did you have a conversation of any kind with Mr. Howden about 2 weeks ago?

Mr. BURK. I did.

Mr. HALLEY. Did you meet him on the street?

Mr. BURK. I did.

Mr. HALLEY. In the vicinity of the courthouse?

Mr. BURK. Yes, sir.

Mr. HALLEY. Would you state what the conversation was between you and Mr. Howden?

Mr. BURK. What I said, you mean?

Mr. HALLEY. Yes; and what he said.

Mr. BURK. We met at a parking lot on Northwest First Street just west of the railroad tracks. He said, "How are you doing, Mate?" I said, "I am doing all right." He said, "How are you getting along on the farm?" and I said, "Fine." I said, "What are you doing?" and he said something about still working for the insurance people.

He said, "What do you know, I have seen George the Greek." George the Greek had been working in the sheriff's office upstairs in the criminal department. I said, "What is the matter with him," and he said, "I was talking with him and and was kidding with him." Now, this boy that was here he said he was kidding with George the Greek. He said, "George, how are you feeling?" and he said, "I am doing all right." He says, "You know they got something on you." and he said, "I ain't giving a God damn what they got on me."

That is what Dick Howden told me.

Mr. HALLEY. What did you have in mind, both have in mind?

Mr. BURK. I didn't ask. I was subpoenaed to come to court that morning and didn't have much time.

Mr. HALLEY. You have no idea what anybody might have on Howden?

Mr. BURK. No, sir.

Mr. HALLEY. Is it true that you have, as alleged by Mr. Howden, given large sums of money in cash in amounts of \$7,000, \$8,000, \$10,000, and \$11,000 to Mrs. Jimmy Sullivan?

Mr. BURK. That is false.

Mr. HALLEY. Have you ever given any sums of money in cash to Mrs. Jimmy Sullivan?

Mr. BURK. No, sir. That is false.

Mr. HALLEY. Have you ever given any sums of money to Jimmy Sullivan, the sheriff?

Mr. BURK. No, sir; that is false.

Mr. HALLEY. Did you in 1949 have a conversation with Mr. Howden about his taking the job of chief of police at Opa Locka?

Mr. BURK. A few words; yes, sir. He told me. He said, "Tom, I got a break. I believe I am going out to Opa Locka as chief of police." I said, "That is a nice community. Why don't you go out there?"

Mr. HALLEY. And during that conversation was a man named Red Rainwater mentioned at all?

Mr. BURK. Not by Tom Burk.

Mr. HALLEY. Was he mentioned by R. W. Howden?

Mr. BURK. No, sir.

Mr. HALLEY. Have you ever read about him in the newspapers?

Mr. BURK. Yes, sir.

Mr. HALLEY. Do you know who he is?

Mr. BURK. I could pick him out of a crowd; yes, sir.

Mr. HALLEY. You could pick him out of a crowd?

Mr. BURK. Yes, sir. I arrested him twice operating—

Mr. HALLEY. Was it an error when the first time I asked you whether you heard of Red Rainwater and you said, "No, sir"?

Mr. BURK. There is two of them.

Mr. HALLEY. Which one of them haven't you heard of?

Mr. BURK. One is a lawyer here and one is operating book.

Mr. HALLEY. If you know of the two of them how could you not have heard of either one of them?

Mr. BURK. One I don't know.

Mr. HALLEY. Do you remember having told Howden that you would fix him up with a cut of the gambling in Opa Locka?

Mr. BURK. No, sir.

Mr. HALLEY. You never told him anything like that?

Mr. BURK. No, sir.

Mr. HALLEY. What is Red Rainwater's business in Opa Locka?

Mr. BURK. I wouldn't know, sir.

Mr. HALLEY. Is he in the gambling business?

Mr. BURK. I wouldn't know, sir.

Mr. HALLEY. You have no idea?

Mr. BURK. No, sir.

Mr. HALLEY. Even by reputation?

Mr. BURK. No, sir.

Mr. HALLEY. You arrested him twice?

Mr. BURK. Not in Opa Locka; the city of Miami.

Mr. HALLEY. What did you arrest him in Miami for?

Mr. BURK. Operating a gambling house.

Mr. HALLEY. What is his business in Miami?

Mr. BURK. I believe he is in the business of chartering books.

Mr. HALLEY. Does he do any gambling business?

Mr. BURK. When I seen him he was and I picked him up.

Mr. HALLEY. You saw him gambling?

Mr. BURK. I didn't see him gambling, but I took his place and took him.

Mr. HALLEY. And you saw him operating a gambling establishment on two occasions?

Mr. BURK. No, sir; on one occasion. I lost one case with him.

Mr. HALLEY. In the other case he was convicted?

Mr. BURK. Correct.

Mr. HALLEY. Did you ever tell anybody that you were "in on the take"?

Mr. BURK. Take of what?

Mr. HALLEY. Take a bribe?

Mr. BURK. No, sir.

Mr. HALLEY. When did you enter the sheriff's office?

Mr. BURK. On January 1, 1944.

Mr. HALLEY. What had you been doing previously?

Mr. BURK. Since August 1, 1949, I went on a farm.

Mr. HALLEY. You quit the sheriff's office in 1949; is that right?

Mr. BURK. Correct.

Mr. HALLEY. Did you purchase that farm?

Mr. BURK. Yes, sir; with mortgages.

Mr. HALLEY. What was the purchase price of the farm?

Mr. BURK. \$26,700—\$26,725.

Mr. HALLEY. How much of that did you pay in cash?

Mr. BURK. \$1,000 and \$4,000, \$5,000. There was a \$16,750 mortgage on it and I paid \$1,000 and \$4,000. I paid \$26,750.

Mr. HALLEY. You paid \$26,750—

Mr. BURK. For the place and it is mortgaged.

Mr. HALLEY. How much of that did you pay in cash?

Mr. BURK. \$5,000.

Mr. HALLEY. \$5,000?

Mr. BURK. That is correct.

Mr. HALLEY. Do you operate that as a farm?

Mr. BURK. Yes, sir.

Mr. HALLEY. You are retired, in other words?

Mr. BURK. You can call it that, but I am up to my knees in mortgages.

Mr. HALLEY. Do you own them or are you the debtor on these mortgages?

Mr. BURK. I have a home mortgage and I still owe \$15,000 and something on the place yet. I pay rent; you know what I mean.

Mr. HALLEY. But you don't work for a living anymore?

Mr. BURK. I work in the grove, yes; planting tomatoes, pears, and mangoes. Sure, I work.

Mr. HALLEY. Did you have a farm before you went into the sheriff's office?

Mr. BURK. I was a nursery man.

Mr. HALLEY. For how many years?

Mr. BURK. Oh, maybe about seven or eight.

Mr. HALLEY. During what period?

Mr. BURK. Oh, say 1900.

Mr. HALLEY. And between around 1900 and 1949 you did no farming?

Mr. BURK. No, sir; only around the house.

Mr. HALLEY. You don't maintain that you are operating this farm to earn a living now, do you?

Mr. BURK. I do.

Mr. HALLEY. What is the amount of money you earned on this farm in the last year?

Mr. BURK. In the year 1949 I paid the internal revenue, \$1,069.

Mr. HALLEY. Tax?

Mr. BURK. Income tax.

Mr. HALLEY. Was that income from the farm?

Mr. BURK. Yes, sir—not all from the farm; no, sir.

Mr. HALLEY. What was the remainder of that income?

Mr. BURK. The remainder of the income I think—close to \$5,000 I took from the farm and I got about \$4,100 that I put extra miscellaneous gambling.

Mr. HALLEY. What kind of gambling was that?

Mr. BURK. At the Hialeah Race Track.

Mr. HALLEY. You mean, you just went in and won \$4,000 on miscellaneous bets?

Mr. BURK. That is correct. In the last week in the month of January I had some warrants in my hands to execute them. I went to the Hialeah track, met a couple of the boys and made a bet and collected.

Mr. HALLEY. Was that a single bet?

Mr. BURK. It wasn't what you call a big bet; no.

Mr. HALLEY. What did you make on the one bet?

Mr. BURK. I got about \$2,600 on the first bet and collected my man and brought him back.

Mr. HALLEY. Did you make any more income on bets at the race track?

Mr. BURK. Yes, sir.

Mr. HALLEY. How much?

Mr. BURK. About \$4,100.

Mr. HALLEY. About \$4,100?

Mr. BURK. Yes, sir.

Mr. HALLEY. These were bets you made in cash with the mutual machine?

Mr. BURK. Yes, sir.

Mr. HALLEY. And you declared those profits on your income-tax returns?

Mr. BURK. Yes, sir.

Mr. HALLEY. Are you sure you weren't paying income on some cash you got in some other way?

Mr. BURK. No, sir.

Mr. HALLEY. Did you hear Mr. Howden testify that you had stated to him that you took care of Uncle Sam?

Mr. BURK. Yes—I don't quite understand what he meant by that.

Mr. HALLEY. Well, I believe he explained he meant that you paid your income tax on whatever cash you took.

Mr. BURK. Those words were never used.

Mr. HALLEY. But you did take care of Uncle Sam on this gambling profit?

Mr. BURK. If you want to say I took care of Uncle Sam, I did. I paid my income tax. Is that what you mean?

Mr. HALLEY. It is not customary among people you know to declare on race-track profits.

Mr. BURK. He asked me, "Did you make any money?" and I said, "Yes."

Mr. HALLEY. Have you in previous years declared winnings on horse races?

Mr. BURK. No, sir.

Mr. HALLEY. Just this year?

Mr. BURK. Well, in 1948 and 1947.

Mr. HALLEY. You also declared race-track winnings?

Mr. BURK. A few dollars; yes, sir.

Mr. HALLEY. Well, how much?

Mr. BURK. Maybe about \$900, \$400.

Mr. HALLEY. In any other years did you declare race-track winnings?

Mr. BURK. No, sir.

Mr. HALLEY. What was the horse you won \$2,600 on?

Mr. BURK. I wouldn't know the horse's name. You go by numbers.

Mr. HALLEY. You have no idea of the horse's name?

Mr. BURK. Three or four horses.

Mr. HALLEY. Do you remember the name of the jockey who made that money for you?

Mr. BURK. No, sir.

Mr. HALLEY. Just a complete blank?

Mr. BURK. Yes, sir.

Mr. HALLEY. How often have you won \$2,600 on horse racing?

Mr. BURK. The first time.

Mr. HALLEY. Never before in your life?

Mr. BURK. No, sir. In fact, I was never much on playing the horses.

Mr. HALLEY. Do you own any other property in addition to the farm you described?

Mr. BURK. Yes, sir.

Mr. HALLEY. Will you state what it is?

Mr. BURK. The home.

Mr. HALLEY. Where is that?

Mr. BURK. It is located at 2497 Twenty-first Terrace, city of Miami, Dade County.

Mr. HALLEY. When did you purchase the home?

Mr. BURK. In 1946.

Mr. HALLEY. That was the year after you went to the sheriff's office.

Mr. BURK. That was 2 years.

Mr. HALLEY. Two years after?

Mr. BURK. Yes.

Mr. HALLEY. What did you pay for that home?

Mr. BURK. I paid \$8,000 down for the home.

Mr. HALLEY. You put down \$8,000 in cash?

Mr. BURK. Correct; cash.

Mr. HALLEY. What did the home cost?

Mr. BURK. \$11,000.

Mr. HALLEY. You paid \$8,000 of the \$11,000 in cash?

Mr. BURK. That is right.

Mr. HALLEY. Do you own any other property?

Mr. BURK. No, sir.

Mr. HALLEY. None whatsoever?

Mr. BURK. No, sir.

Mr. HALLEY. Are you married?

Mr. BURK. Yes, sir.

Mr. HALLEY. Does your wife own any property?

Mr. BURK. No, sir.

Mr. HALLEY. Do you have any children?

Mr. BURK. No, sir.

Mr. HALLEY. Do you have any bank accounts?

Mr. BURK. In the year 1949; yes, sir.

Mr. HALLEY. How much did you have in the bank at the beginning of 1949?

Mr. BURK. Nothing.

Mr. HALLEY. Nothing?

Mr. BURK. No, sir.

Mr. HALLEY. Will you state to the committee how much you had in the bank during any time in 1949? What is the maximum amount?

Mr. BURK. I don't think I put any money in the bank until August; probably \$3,000.

Mr. HALLEY. Where did you get that \$3,000.

Mr. BURK. That came from checks from the grove.

Mr. HALLEY. From the grove?

Mr. BURK. Yes, sir.

Mr. HALLEY. From the sale of fruit?

Mr. BURK. That is correct.

Mr. HALLEY. And you put that in the bank?

Mr. BURK. Regular channels; yes, sir.

Mr. HALLEY. Up to that point did you have a bank account?

Mr. BURK. No, sir.

Mr. HALLEY. How did you pay for the house when you paid \$8,000 down?

Mr. BURK. I have been in the city of Miami, Dade County, for 30 years and never was out of employment. I made a few dollars and that was my savings.

Mr. HALLEY. Where did you keep your savings, in a shoe?

Mr. BURK. In the house.

Mr. HALLEY. In a box?

Mr. BURK. Yes, sir.

Mr. HALLEY. A tin box?

Mr. BURK. Yes, sir.

Mr. HALLEY. Where did you keep the \$8,000?

Mr. BURK. In the house.

Mr. HALLEY. And where did you keep the \$5,000 that you used to buy the farm?

Mr. BURK. I didn't make that until 1949.

Mr. HALLEY. How did you make that \$5,000?

Mr. BURK. One thousand dollars I had from the race track and then I got a note for \$4,000 which is pending yet. That was \$5,000.

Mr. HALLEY. How did you get the note for \$4,000?

Mr. BURK. I got a note.

Mr. HALLEY. How did you get a note?

Mr. BURK. My—

Mr. HALLEY. Will you describe that transaction?

Mr. BURK. My sister-in-law.

Mr. HALLEY. Your sister-in-law?

Mr. BURK. That is right.

Mr. HALLEY. You mean, she loaned you \$4,000?

Mr. BURK. Yes, sir.

Mr. HALLEY. That was not your money?

Mr. BURK. No, sir. That was to bargain to sell the other house.

Mr. HALLEY. Did you ever sell the other house?

Mr. BURK. No, sir.

Mr. HALLEY. Has your sister-in-law asked——

Mr. BURK. It was mortgaged.

Mr. HALLEY. Has your sister-in-law asked you for the money?

Mr. BURK. No; she hasn't asked yet. I paid her \$500 back already.

Mr. HALLEY. By check?

Mr. BURK. Yes, sir.

Mr. HALLEY. I thought you had no checking account?

Mr. BURK. That came after August 1.

Mr. HALLEY. You opened a checking account with the profits of the farm?

Mr. BURK. Later in August, yes, sir, in 1949.

Mr. HALLEY. What made you decide after you had the farm to put trust in banks?

Mr. BURK. It was all checks and I couldn't handle it.

Mr. HALLEY. You mean, the money you got before 1949 was cash?

Mr. BURK. I didn't start in 1949. It was in August 1949 when I started putting it in the bank.

Mr. HALLEY. That was because you got checks?

Mr. BURK. Yes.

Mr. HALLEY. Are we to assume that the \$8,000 you accumulated to buy your house in 1946 you got in cash?

Mr. BURK. That was in cash. That was my savings, yes, sir.

Mr. HALLEY. What was your salary as a deputy sheriff?

Mr. BURK. When I first went to work I think it was \$300 and when I finished it was \$350.

Mr. HALLEY. \$300 a month?

Mr. BURK. I think when I finished it was \$350.

Mr. HALLEY. You say you became a deputy sheriff in 1944?

Mr. BURK. First day of January, 1944.

Mr. HALLEY. What was your occupation prior to January 1944?

Mr. BURK. I was manager of the Police Benevolent Association of the City of Miami, Dade County.

Mr. HALLEY. What was your rate of compensation in that job?

Mr. BURK. I don't know.

Mr. HALLEY. Was it more than \$50 a week?

Mr. BURK. I don't know.

Mr. HALLEY. Was it more than \$40 a week?

Mr. BURK. I don't know.

Mr. HALLEY. Was it more than \$30 a week?

Mr. BURK. You mean the wages?

Mr. HALLEY. Yes.

Mr. BURK. It was \$35.

Mr. HALLEY. Thirty-five dollars a week?

Mr. BURK. Yes.

Mr. HALLEY. How long did it take you to save that \$8,000 in cash?

Mr. BURKE. Oh, about 18 to 20 years.

Mr. HALLEY. All that time you kept that money in a box in your house?

Mr. BURKE. Yes, sir.

Mr. HALLEY. And then a year after you became deputy sheriff you bought a house for \$8,000—

Mr. BURKE. That is correct.

Mr. HALLEY. In cash?

Mr. BURK. The war broke loose and the wife and I got together and we thought we better get something now. I thought I had a decent job to carry on.

Mr. HALLEY. Do you know a Mr. Crosby? Tom Crosby.

Mr. BURK. I know a Bill Crosby.

Mr. HALLEY. You know a Bill Crosby?

Mr. BURK. Yes.

Mr. HALLEY. Who is he?

Mr. BURK. I think I was introduced to Bill Crosby one day in the sheriff's office up on the nineteenth floor in the county courthouse as an investigator for the Governor of the State of Florida.

Mr. HALLEY. In what year?

Mr. BURKE. In 1948.

Mr. HALLEY. In 1948?

Mr. BURK. 1948.

Mr. HALLEY. Could it have been 1949?

Mr. BURK. It might have been 1949, the first 6 months, that is right.

Mr. HALLEY. It was the early part of 1949?

Mr. BURK. The early part of 1949.

Mr. HALLEY. About January?

Mr. BURK. That is right.

Mr. HALLEY. Right after Governor Warren was elected?

Mr. BURK. That is correct; I am sorry.

Mr. HALLEY. Practically immediately afterward?

Mr. BURK. That is right.

Mr. HALLEY. Who introduced you to Mr. Crosby?

Mr. BURK. The sheriff of Dade County, Jimmy Sullivan.

Mr. HALLEY. What did Jimmy Sullivan tell you?

Mr. BURK. One day, I don't just remember the date, the sheriff left an order with the chief criminal investigator, Jim Hawkins, notifying me not to go out to serve any papers. He said he would like to see me. Well, I stayed after lunch. I came up and went back in the criminal office up there and Sullivan was there and Mr. Crosby. The sheriff said, "Tom, I want to introduce you to a fellow by the name of Bill Crosby. He represents the Governor's office. I want you to take him any place where he wants to go regardless of where it is so long as it is in Dade County."

I said, "O. K., sheriff."

Mr. HALLEY. Was Mr. Crosby supposed to be investigating anything in particular?

Mr. BURK. Not that I know of.

Mr. HALLEY. Gambling?

Mr. BURK. The way we started that would be the only thing he went to.

Mr. HALLEY. Slot machines?

Mr. BURK. I guess anything operated.

Mr. HALLEY. Let's be specific. Didn't Mr. Crosby say he was supposed, he was there to investigate slot machines in Dade County?

Mr. BURK. He told that to the sheriff maybe, but I didn't hear it.

Mr. HALLEY. He didn't tell that to you?

Mr. BURK. No.

Mr. HALLEY. But did the sheriff tell you Crosby was there to investigate slot machines?

Mr. BURK. No, sir.

Mr. HALLEY. Did you have that conversation in the morning of a particular day?

Mr. BURK. No; I believe it was after lunch.

Mr. HALLEY. Then what happened?

Mr. BURK. Bill Crosby and I left. We went to the beach.

Mr. HALLEY. You mean you got into an automobile?

Mr. BURK. That is correct.

Mr. HALLEY. Whose car?

Mr. BURK. My car.

Mr. HALLEY. Your personal car or an official car?

Mr. BURK. My car.

Mr. HALLEY. Your personal car?

Mr. BURK. That is right.

Mr. HALLEY. What kind of an automobile was that?

Mr. BURK. It was a Chrysler.

Mr. HALLEY. A Chrysler?

Mr. BURK. Yes.

Mr. HALLEY. What year?

Mr. BURK. 1948.

Mr. HALLEY. 1948 Chrysler?

Mr. BURK. Yes.

Mr. HALLEY. What model?

Mr. BURK. New Yorker.

Mr. HALLEY. That is the large one?

Mr. BURK. No; there is an Imperial.

Mr. HALLEY. There is one bigger?

Mr. BURK. Yes.

Mr. HALLEY. What did you pay for that Chrysler automobile?

Mr. BURK. I turned my other car in. I turned in my 1944 or 1945 Dodge, and I had to pay I think it was \$92 to the finance man.

Mr. HALLEY. You mean somebody gave you a brand new Chrysler in return for a 1944 Dodge?

Mr. BURK. Well, no.

Mr. HALLEY. How much money did you pay for the Chrysler automobile?

Mr. BURK. I just don't remember what I laid down.

Mr. HALLEY. You paid money for it?

Mr. BURK. I had to give something in order to get it off the floor; that is correct.

Mr. HALLEY. How much did you give?

Mr. BURK. I just don't remember what it was.

Mr. HALLEY. Did you then pay it out monthly or—

Mr. BURK. Paid with the finance man.

Mr. HALLEY. You financed it?

Mr. BURK. That is right.

Mr. HALLEY. And you paid monthly?

Mr. BURK. That is right.

Mr. HALLEY. How much was the total price of that Chrysler? Approximately over \$2,000?

Mr. BURK. Yes, sir.

Mr. HALLEY. Close to \$3,000, wasn't it?

Mr. BURK. I think it was \$2,600.

Mr. HALLEY. \$2,600?

Mr. BURK. Yes, sir. Maybe it was a little more.

Mr. HALLEY. It might have been a little over that?

Mr. BURK. It might be.

Mr. HALLEY. Did you handle that out of savings, too?

Mr. BURK. Yes, sir.

Mr. HALLEY. Now to get back to Crosby: where did you go?

Mr. BURK. We went to Miami Beach.

Mr. HALLEY. What did you do there?

Mr. BURK. After we crossed the causeway he directed me to go, where to go.

Mr. HALLEY. Where did he direct you to go?

Mr. BURK. I believe the first place we went to was up at some hotel on Collins Avenue.

Mr. HALLEY. What hotel was it?

Mr. BURK. I can't remember. I just don't remember. And we took the place—knocked the place off and they were convicted and paid their fine.

Mr. HALLEY. What were they doing there?

Mr. BURK. Operating.

Mr. HALLEY. Operating what?

Mr. BURK. Book or horse.

Mr. HALLEY. Horse parlor?

Mr. BURK. You can call it that; yes.

Mr. HALLEY. No slot machines?

Mr. BURK. No.

Mr. HALLEY. Were there any slot machines in the lobby?

Mr. BURK. No, I don't think so. I didn't see no slot machines.

Mr. HALLEY. You didn't see any slot machines over there?

Mr. BURK. No, sir. There was a barroom.

Mr. HALLEY. Where did you go after the first hotel that you knocked off?

Mr. BURK. We took the defendant back to the county jail and booked him. He went out on \$500 bond.

Mr. HALLEY. Then what did you do?

Mr. BURK. I don't think we went out that day any more.

Mr. HALLEY. Did you go out on a subsequent day?

Mr. BURK. We might have went out probably the following day or the day after.

Mr. HALLEY. What happened the next time you went out?

Mr. BURK. We went to the beach, went around by the courthouse, which is located down Meridian Avenue and First Street, and he says, "Tom, let's go up Washington Avenue." We went up Washington Avenue and he says, "Pull over there at Fourth Street and Washington Avenue." "We are going into that apartment house," he said. I didn't say anything. As I pulled up to the curbstone there was one

of our men, George the Greek. As I pulled up I said, "What are you doing here, George?" and he said, "I am serving a paper." I said, "Since when do you work for the civil department?" and he says, "I don't work for the civil department. I am just checking up on a couple of joints." I said, "That is fine."

Mr. HALLEY. Let us get this straight. You found George the Greek in the bookmaking establishment?

Mr. BURK. No, sir. He was on the curbstone.

Mr. HALLEY. He wasn't in the establishment?

Mr. BURK. No, sir.

Mr. HALLEY. But he didn't belong in that part of town at all, is that right?

Mr. BURK. It looked funny to me because he was working on the telephone. That was where his duty was on the telephone and when I seen him he was on the curbstone waiting.

Mr. HALLEY. Then what happened?

Mr. BURK. So George spoke to Mr. Crosby. He said a few words. He said, "We are going to take that place."

Mr. HALLEY. Who said, "We are going to take that place"?

Mr. BURK. Mr. Crosby.

Mr. HALLEY. Then what happened?

Mr. BURK. So I asked Crosby, I says, "What is going on here?" and he says, "It is one of the joints." I said, "You got a warrant?" I said to George the Greek, "You got a warrant?" and he said, "No." I said, "Go ahead, let's see what you can do."

So they went in and I followed them. They had a guy in the hall up against the wall. George the Greek had this fellow against the wall with his hands in his pockets. I approached the place and I said, "George, what is wrong?" and he said, "He just come out of the door down there." I said, "You can't put your hands in his pockets unless you got a warrant. You can't put your hands in anybody's pockets unless you got a warrant. You haven't put the boy under arrest yet, have you?" and he said, "Well, I have seen him come from that door." I said, "Go ahead, make the arrest and see where it will get you."

So, he turns the guy loose and he walked up and down the hall once or twice or three or four times. So I says, "That is the door." I busted the door in. I just remember the number of the door. I do remember the joint was 450 Washington Avenue. When we got in there I broke in the door and I broke into a bedroom. There were two beds in that room and there was another door. I knocked that one down.

And that is what I had seen.

Mr. HALLEY. What did you see?

Mr. BURK. I seen about four or five men in there.

Mr. HALLEY. What were they doing?

Mr. BURK. Just sitting around the table just like these gentlemen are sitting around here [indicating].

Mr. HALLEY. There were no telephones?

Mr. BURK. There was telephones, there; yes, sir.

Mr. HALLEY. Were they operating book?

Mr. BURK. I believe it was an office.

Mr. HALLEY. You believe it was an office?

Mr. BURK. Yes.

Mr. HALLEY. What kind of an office?

Mr. BURK. Horse booking.

Mr. HALLEY. Horse-booking office?

Mr. BURK. There are two ends to this; a parlor and an office and a room are two different things. When you talk "horse booking," that is an office. If you are going into a horse room, that is where they have sheets.

Mr. HALLEY. All of the time Mr. Crosby was with you?

Mr. BURK. Correct.

Mr. HALLEY. He came right along behind you?

Mr. BURK. Yes.

Mr. HALLEY. Did you arrest the men that you found in that room?

Mr. BURK. I made no arrest, because I couldn't make it stick. I broke the joint down, broke it open. I said, "Do you want to file," and he said, "I can't file."

Mr. HALLEY. Who said that?

Mr. BURK. Crosby. I said, "Why not—you are well heeled."

Mr. HALLEY. What do you mean by "you are well heeled"?

Mr. BURK. He had a gun on. He said, "I can't file. I don't know what to do. There is no use to file on them. Their mouthpiece will be here."

Mr. HALLEY. By "mouthpiece" do you mean the lawyer?

Mr. BURK. Attorney.

Mr. HALLEY. Did you have a pretty good idea who the mouthpiece was going to be?

Mr. BURK. We found out afterward. He came there.

Mr. HALLEY. Who was it?

Mr. BURK. Mr. Bennie Cohen.

Mr. HALLEY. Was Bennie Cohen the mouthpiece for the S. & G. boys?

Mr. BURK. I don't know. I just heard about that.

Mr. HALLEY. You know the S. & G.?

Mr. BURK. Well, I have heard so much over the grapevine.

Mr. HALLEY. What have you heard?

Mr. BURK. I have heard of one or two guys like Jules Levitt. Just the way the paper says, and we always see another new name in the gang.

Mr. HALLEY. Whose new name did you see; whose new name in the gang?

Mr. BURK. Every time we see it they had a new name.

Mr. HALLEY. Would the new name in the gang be Harry Russell?

Mr. BURK. I never heard of Harry Russell.

Mr. HALLEY. You never heard the name Harry Russell before today?

Mr. BURK. Only today.

Mr. HALLEY. I think we had better stop here and pause because we are going a little too fast. You are under oath and the question of perjury goes just as much to what you heard as to what you did or didn't do. Now, did you ever hear before this day of Harry Russell?

Mr. BURK. No, sir.

Mr. HALLEY. You never heard of him?

Mr. BURK. No.

Mr. HALLEY. Not even in the newspapers?

Mr. BURK. Only what I seen in the papers.

Mr. HALLEY. You never heard his name spoken by anyone?

Mr. BURK. No, sir.

Mr. HALLEY. To go on with the pinch with Crosby. What happened after your conversation in which you told him to make the pinch?

Mr. BURK. Well, 10 or 15 minutes went by and all of a sudden here comes Jules Levitt and his attorney, and he says, "What are you doing?"

Mr. HALLEY. Were you still in the house?

Mr. BURK. We were sitting in the bedroom.

Mr. HALLEY. Was Levitt there already?

Mr. BURK. In about 15 minutes.

Mr. HALLEY. He must have had a pretty good idea of what was going on.

Mr. BURK. No phone rang.

Mr. HALLEY. You had not made the pinch?

Mr. BURK. No.

Mr. HALLEY. Jules Levitt walked into the bookmaking establishment?

Mr. BURK. About 10 minutes afterward.

Mr. HALLEY. Who was with him?

Mr. BURK. Bennie Cohen, his attorney.

Mr. HALLEY. Bennie Cohen?

Mr. BURK. Yes.

Mr. HALLEY. What conversation followed?

Mr. BURK. And then Jules said to me, "What are you doing here? Do you have a warrant?" I said, "No," and he said, "How did you get in; who broke the door down?" I said, "We did," and he says, "All right, we will take care of that." So Jules Levitt walked up the hall with Mr. Crosby about 20 feet away and the conversation was going on up there, so I couldn't hear it. I was still in the room, right there on the threshold looking one way and then the other. Mr. Levitt comes back and Mr. Crosby comes back and says, "Well, we made a deal. We will take in one." I said, "You will take all or none. If I have to file on them, I am going to take all or none, because our office don't work like that."

Mr. HALLEY. What happened next?

Mr. BURK. He said, "Well, we will come to the conclusion that we will settle the matter that way." I said, "I couldn't see just taking one." We will take all or none, I said.

Mr. HALLEY. What happened then?

Mr. BURK. We didn't take any.

Mr. HALLEY. Would you state the names of these people that you found in this bookmaking establishment?

Mr. BURK. We took no names at all.

Mr. HALLEY. Did you file a report?

Mr. BURK. We ran them all out of the place, closed up the place, told them to move and get out and stay out. I had no grounds to make a pinch.

Mr. HALLEY. What grounds did you have to tell them to move out and get out and stay out, if you had no grounds to make a pinch?

Mr. BURK. After breaking the door down I told them that if they didn't move and stay out I would be back there in half an hour and I would make a pinch.

Mr. HALLEY. Did they move out in your presence?

Mr. BURK. No. George and I came back home.

Mr. HALLEY. Did you come back in half an hour to see if they had moved?

Mr. BURK. Yes; with a search warrant.

Mr. HALLEY. Where did you get the search warrant?

Mr. BURK. I believe the search warrant was made out by a circuit judge. I don't remember whether it was Hawthorne, Milledge, or who, because I didn't file the affidavit for it. I think George the Greek did. Anyway, I didn't file it.

Mr. HALLEY. Did you go back with Crosby with the search warrant?

Mr. BURK. Yes.

Mr. HALLEY. What happened at that time?

Mr. BURK. We went back there and the joint looked like a dance hall; they moved the crowd out—in other words, everything was vacated.

Mr. HALLEY. No equipment there?

Mr. BURK. No.

Mr. HALLEY. None of the men there?

Mr. BURK. There wasn't a soul in the place.

Mr. HALLEY. Were you surprised to find the place empty?

Mr. BURK. Well, from common sense, if they were there they sure would have got it.

Mr. HALLEY. You knew they wouldn't be there when you got back with the search warrant, didn't you?

Mr. BURK. Personally I didn't ask for the warrant. I believe it was Crosby.

Mr. HALLEY. What was the next thing that happened in your transactions with Crosby?

Mr. BURK. What?

Mr. HALLEY. What was the next thing that happened in connection with Crosby?

Mr. BURK. Nothing. I don't believe I went out with him anymore.

Mr. HALLEY. Did you go back to the sheriff's office with him?

Mr. BURK. No. I think we went up to some hotel again that we pinched a couple of days before that. George the Greek and Mr. Crosby had made the entrance into the place but they came out with nothing.

Mr. HALLEY. Did you go to any other hotels or any other places?

Mr. BURK. That day?

Mr. HALLEY. Yes.

Mr. BURK. No.

Mr. HALLEY. Did you go with Mr. Crosby then to a total of only two places altogether?

Mr. BURK. I think he took me up to Collins Avenue around Twentieth Street and he says, "I believe that this is a joint over there and we will have to get a warrant for it." He was just pointing to some hotel.

Mr. HALLEY. What hotel was he pointing to?

Mr. BURK. I don't know.

Mr. HALLEY. If he pointed to a hotel in that area, could you miss a joint?

Mr. BURK. Could we?

Mr. HALLEY. Does not practically every hotel in that area have a bookie establishment in it?

Mr. BURK. I don't know. They could have but I didn't see them.

Mr. HALLEY. That is under your jurisdiction?

Mr. BURK. Yes.

Mr. HALLEY. You know that most of those hotels have bookmaking establishments?

Mr. BURK. No, sir; I don't know that every hotel has.

Mr. HALLEY. I did not say every hotel. I said most of the hotels.

Mr. BURK. Except that we seen none in any one of them hotels.

Mr. HALLEY. What happened after Crosby pointed to the hotel and said, "I think there is a joint there?"

Mr. BURK. We didn't make any more headway.

Mr. HALLEY. Just what did you say?

Mr. BURK. I said, "Do you have a search warrant?" We even tried to go to the back door. I said, "How are we going to get in with this front that I have and the front that you have got. We will never make it."

Mr. HALLEY. Do you remember that Crosby had a map with him of some places marked off on it?

Mr. BURK. That is correct.

Mr. HALLEY. When did he first show you the map?

Mr. BURK. When we went out to Twenty-third Street and stopped around Liberty Avenue and the Canal; it was in front of a floral shop, and he kept walking up and down and he said, "Tom, there is place back in here," and I said, "Let's go back." So we went back and Crosby didn't enter. We noticed that all the doors was locked and we couldn't hear nothing, and then he said, "How about going out and see that other place out there?" He knocked on the doors and nobody came out. Then we went to this young lady behind the counter and we asked her did she have a key. I said, "My name is Tom Burk of the sheriff's office," and she said, "I don't have any keys to that room, but I will call the landlord," so she picked up the phone and soon Bennie Cohen came and soon Jules Levitt came.

Mr. HALLEY. Again at that place?

Mr. BURK. Yes.

Mr. HALLEY. How soon did they appear after you announced yourself to the girl as from the sheriff's office?

Mr. BURK. In 10 minutes.

Mr. HALLEY. Was there any conversation?

Mr. BURK. The conversation was between Mr. Crosby and the attorney.

Mr. HALLEY. Bennie Cohen?

Mr. BURK. Yes.

Mr. HALLEY. You just pointed to Mr. Bennie Cohen in this room?

Mr. BURK. I meant to say that Mr. Crosby is back there.

Mr. HALLEY. Mr. Crosby is here too?

Mr. BURK. Yes. I was sitting alongside of him all day.

Mr. HALLEY. What conversation was there between Bennie Cohen and Crosby?

Mr. BURK. Oh, I was about 12 to 15 feet away.

Mr. HALLEY. Getting back to this map, didn't Mr. Crosby show you a map with about 12 locations marked on it?

Mr. BURK. No.

Mr. HALLEY. How many?

Mr. BURK. Just that one. Then when I went to the girl behind the counter and asked if the landlord or landlady was there, these two other gentlemen came on the scene and we went in that place together.

Mr. HALLEY. What did you find?

Mr. BURK. We opened the ice box first and the ice box was warm; nothing in it. There were two telephones laying right there on the counter.

Mr. HALLEY. Nothing at all in there?

Mr. BURK. No.

Mr. HALLEY. Did you make any effort to find out from the telephone company what service that place had been getting?

Mr. BURK. No.

Mr. HALLEY. Did you go back and report to Sheriff Sullivan about Crosby?

Mr. BURK. No, sir.

Mr. BURK. Did you make a report about your investigation?

Mr. BURK. Yes.

Mr. HALLEY. Did you tell him that Crosby appeared to be looking for bookmaking establishments?

Mr. BURK. There was nothing else said.

Mr. HALLEY. Isn't it a fact that both you and Sullivan had insisted that Crosby was down here investigating slot machines?

Mr. BURK. That word I didn't hear—slot machines.

Mr. HALLEY. What word did you hear?

Mr. BURK. The sheriff told me to go with Crosby and to go to any place where he wants to go. There was no name mentioned, circus, gambling, or anything else, when we left the courthouse.

Mr. HALLEY. You didn't realize that you were going on a gambling raid?

Mr. BURK. I had a slight feeling but I didn't know where in the hell he was going. When we go across from the police station he said, "Tom, we will turn here at the police station and work Washington Avenue."

Mr. HALLEY. Isn't it a fact that you went back to Sheriff Sullivan and said, "This fellow Crosby here is trying to make cases against bookmakers"?

Mr. BURK. No.

Mr. HALLEY. Isn't that what happened?

Mr. BURK. No.

Mr. HALLEY. How long after that did Crosby depart from Miami? He didn't stay around, did he?

Mr. BURK. If he came in the office I didn't see him.

Mr. HALLEY. You never saw him again?

Mr. BURK. No.

Mr. HALLEY. No more pinches were made?

Mr. BURK. Yes, sir.

Mr. HALLEY. By Crosby?

Mr. BURK. I couldn't answer that. He never made a pinch.

Mr. HALLEY. You made them under his direction?

Mr. BURK. Only one.

Mr. HALLEY. No more after that?

Mr. BURK. Not with Mr. Crosby, no.

Mr. HALLEY. How many automobiles do you own today?

Mr. BURK. One.

Mr. HALLEY. What kind?

Mr. BURK. Chrysler.

Mr. HALLEY. '48?

Mr. BURK. '50.

Mr. HALLEY. When did you buy it?

Mr. BURK. I bought it March 3, 1950.

Mr. HALLEY. Does your wife own an automobile?

Mr. BURK. No, sir.

Mr. HALLEY. What did you pay for the Chrysler that you own today?

Mr. BURK. I turned one in and got \$1,700 on it and put \$500 down and me and the finance company have got it yet.

Mr. HALLEY. What model Chrysler did you purchase this year?

Mr. BURK. 1950.

Mr. HALLEY. A New Yorker again?

Mr. BURK. I don't know. I call it a station wagon.

Mr. HALLEY. That is more suitable on the farm?

Mr. BURK. You can use it on a farm.

Mr. HALLEY. What does a station wagon cost?

Mr. BURK. This station wagon I got cost \$4,600, and me and the finance company still have got it.

Mr. HALLEY. What are the monthly payments on it?

Mr. BURK. I think it is \$132.

Mr. HALLEY. A month?

Mr. BURK. Yes.

Mr. HALLEY. That is all the questions I have.

The CHAIRMAN. Just one more question. What was the date that you won the \$2,600 on the horse?

Mr. BURK. I don't know. It was the last week in January or the second week in January.

The CHAIRMAN. January what?

Mr. BURK. '49.

The CHAIRMAN. You do remember the occasion very well?

Mr. BURK. Yes. I had a warrant to pick up a man at the race track.

The CHAIRMAN. Before serving the warrant you thought you would play the horses a little yourself; is that right?

Mr. BURK. Yes. In other words, we had the man spotted. He had a horse running and I didn't want to interfere with the race. He was standing in the paddock after the horses went out.

The CHAIRMAN. You said that when you got the race track you met a couple boys?

Mr. BURK. Yes.

The CHAIRMAN. What boys?

Mr. BURK. Dobson and his agent. Dobson was a jockey. I don't remember the agent's name. I had done a favor for Dobson one time. I believe I had a warrant for Dobson one time.

The CHAIRMAN. So you spoke to Dobson, the jockey?

Mr. BURK. He was standing there.

The CHAIRMAN. By the horse he was going to ride?

Mr. BURK. Yes.

The CHAIRMAN. And he gave you a tip on the horse?

Mr. BURK. He didn't; the agent did.

The CHAIRMAN. How much did you bet on the horse?

Mr. BURK. I think I put \$50 on his nose.

The CHAIRMAN. \$50?

Mr. BURK. Yes.

The CHAIRMAN. And you got \$2,600 back?

Mr. BURK. Not quite \$2,600. I think he closed around 32 to 1, a little over 30 to 1.

The CHAIRMAN. For \$50 on his nose you got back \$2,600?

Mr. BURK. I got back about \$2,600; yes.

The CHAIRMAN. What did you do with that money?

Mr. BURK. Kept it.

The CHAIRMAN. You didn't put it in the bank?

Mr. BURK. No.

The CHAIRMAN. Did you have a bank account prior to 1949?

Mr. BURK. In the month of August; yes.

The CHAIRMAN. Did you have one prior to that time?

Mr. BURK. Yes, no. Yes.

The CHAIRMAN. How long did you have that one? How long before that did you have one?

Mr. BURK. Oh, way back in 1921.

The CHAIRMAN. Between 1921 and 1949 you did not have any bank account?

Mr. BURK. I think it was around 2 or 3 years that I was riding a motorcycle at the beach.

The CHAIRMAN. You handled all transactions in cash; is that correct?

Mr. BURK. That's right.

The CHAIRMAN. When was it that you bought the farm?

Mr. BURK. I think it was the 11th day of June.

The CHAIRMAN. What year?

Mr. BURK. July.

The CHAIRMAN. Of what year?

Mr. BURK. 1949.

The CHAIRMAN. It was August 1949 that you had \$3,000 in the bank?

Mr. BURK. No.

The CHAIRMAN. When did you have \$3,000 in the bank?

Mr. BURK. About September.

The CHAIRMAN. About September 1949?

Mr. BURK. Yes.

The CHAIRMAN. At the time you bought the farm you paid \$5,000 in cash?

Mr. BURK. I paid \$1,000 cash and \$4,000 I owed.

The CHAIRMAN. Shortly after you put \$3,000 in the bank?

Mr. BURK. Every month the checks would come in and I had close to \$3,000 and maybe more.

The CHAIRMAN. Just a regular bank account?

Mr. BURK. Yes; Coconut Grove Bank.

The CHAIRMAN. How long did you keep it in there?

Mr. BURK. Some of it is still there yet.

The CHAIRMAN. You kept around \$3,000 or maybe more in that bank for some considerable time?

Mr. BURK. It ran up and down. Just as fast as the fruit payments were coming in, and of course I was paying off bills.

The CHAIRMAN. Did you keep some cash in the tin box you told us about?

Mr. BURK. No. Once in a while we got cash for the fruit.

The CHAIRMAN. You did have some money in the box at home during the time you had the \$3,000 bank account?

Mr. BURK. No.

The CHAIRMAN. Why didn't you use that \$3,000 to pay something on the \$4,000 note?

Mr. BURK. I gave them \$1,000 cash, and I gave a note for \$4,000, I believe it was, and I put \$1,700 in the bank and I kept the rest.

The CHAIRMAN. You had to pay interest on the note, didn't you?

Mr. BURK. That's right.

The CHAIRMAN. Your bank account wasn't drawing interest, was it?

Mr. BURK. No.

The CHAIRMAN. You paid \$500 down and you signed a note for \$4,000?

Mr. BURK. That's right.

The CHAIRMAN. And you have not paid the note yet?

Mr. BURK. No.

The CHAIRMAN. That is all. Thank you.

**TESTIMONY OF MELVIN J. RICHARD, CITY COUNCILMAN,
MIAMI BEACH, FLA.**

The CHAIRMAN. Do you solemnly swear that the testimony you will give the committee will be the whole truth and nothing but the truth?

Mr. RICHARD. I do.

Mr. HALLEY. What is your occupation, Mr. Richard?

Mr. RICHARD. I am an attorney.

Mr. HALLEY. Do you hold any official position?

Mr. RICHARD. Yes. I am a city councilman in the city of Miami Beach.

Mr. HALLEY. How long have you occupied that position?

Mr. RICHARD. For a little over a year. It was June of last year I was elected.

Mr. HALLEY. For how long a term were you elected?

Mr. RICHARD. Four years.

Mr. HALLEY. During your campaign, and after, have you taken any public position about gambling on Miami Beach?

Mr. RICHARD. Yes; I have strenuously opposed gambling activities and the racket syndicates that operate them.

Mr. HALLEY. Did you do that during your campaign?

Mr. RICHARD. Yes; I did it during my campaign and in a previous campaign in which I was not elected, and during the past 4 or 5 years, since I was released from the Navy, I have been actively engaged in work of that sort in the city of Miami Beach.

Mr. HALLEY. Have you made an effort to ascertain whether or not the police department of Miami Beach was performing its duty?

Mr. RICHARD. I have on more than one occasion.

Mr. HALLEY. And in that connection did you have any conversation with any members of the police department?

Mr. RICHARD. Yes; I did.

Mr. HALLEY. Did you have any conversations with a man named Phil Short?

Mr. RICHARD. Yes; I did.

Mr. HALLEY. Would you state when you had such conversation?

Mr. RICHARD. I believe the date was May 10 and May 11 of this year. The first conversation was a telephone conversation, which I recorded, and the second conversation was a conversation in my office, which I also recorded, but the second recordation was not a good record—it was not a clear record.

I have the telephone conversation with me here, if you would like to hear it.

Mr. HALLEY. Do you recall the second conversation?

Mr. RICHARD. Yes; I do recall the content of the second conversation.

Mr. HALLEY. But of the first you do actually have the recording?

Mr. RICHARD. Yes; I have it.

Mr. HALLEY. With the permission of the committee, may the witness produce the recording?

The CHAIRMAN. Yes.

Mr. HALLEY. Will you produce the recording, please?

Mr. RICHARD. Yes, sir. It's in a wire-recording machine.

Mr. HALLEY. Before you produce the recording, may I ask you this question: Who was Phil Short with whom you had the conversation?

Mr. RICHARD. Phil Short is an officer in the Miami Beach police department now. I believe he is a lieutenant. He previously was chief of police until after this last election.

Mr. HALLEY. Will you go ahead with the recording?

Mr. RICHARD. Surely.

(The following is a typewritten transcription of the wire recording played to the committee by Mr. Richard:)

A VOICE. Police headquarters.

VOICE. Is Lieutenant Short there?

VOICE. No; he's not; he's out in the garden.

VOICE. This is Melvin Richard. Could you get him to call me?

VOICE. Just a minute; here he comes walking in the door.

VOICE. Hello.

VOICE. Phil?

VOICE. Yes.

VOICE. Melvin—

VOICE. Yes.

VOICE. I just caught you by accident.

VOICE. Uh-huh.

VOICE. Listen, I'm curious about something. Couple of people have been talking to me about that article that appeared in the Florida Sun about the Club Collins.

VOICE. Yes.

VOICE. According to the article in the Sun, you testified you saw gambling in that place at some previous time.

VOICE. That's right.

VOICE. And that you went away and you came back and you attempted to make the arrest on this particular night. How come you didn't make an arrest the time you were there and saw them gambling?

VOICE. All that I ever saw was poker and skin—that kind of games; that was 3 or 4 years ago.

VOICE. This was a long time ago?

VOICE. Yes; that's right. I noticed there was games of one sort and another going on there all the time, and I tried to find if there is right now. But to get in and find them, that's another question. You have to have search warrants and everything else. There was a time, you know, we could go into those places, knock down a door and go on in and there would be nothing said about it, but nowadays they holler "illegal entry" and all that sort of thing, so you've got to get a search warrant, I guess, to get into them.

VOICE. Well, that place isn't 3 years old, is it?

VOICE. Oh, that place has been there for 5 or 6 years, ever since that building was remodeled; when Ben Kaye had that place up there, when he first built it. You remember when Ben Kaye built that building. That was at least 5 years ago.

VOICE. Uh-huh.

VOICE. How come an arrest wasn't made on that occasion, 3 years ago?

VOICE. Well, I don't remember right now. They was playing what they called short cards, which was permissible at that time. I went in there because I understood there was a crap game running in there, and all that they were playing was short cards, and short cards at that time was permissible.

VOICE. What do you mean, "permissible"? Somebody said it was O. K.?

VOICE. Well, they had an O. K. from somebody; yes. I don't know who from, but I was told not to, not to interfere with short card games.

VOICE. Were you chief then?

VOICE. No; no, that was before; before that time.

VOICE. Who would give you orders like that? Where would you get them from?

VOICE. Chief of police.

VOICE. You don't know who he got them from?

VOICE. No; I don't.

VOICE. Well, when you were chief who gave you orders about what should and shouldn't be done, what could operate?

VOICE. Melvin, I don't want to get involved here and get somebody in trouble now.

VOICE. Well, I'm trying to get to the bottom of this, and I have been trying for a long time, and I don't care much who gets in trouble, as long as it's on the level. I don't want to do anything dishonest.

VOICE. Well, it always—

VOICE. I mean, I didn't call you up for the purpose or with the intention of having this conversation with you that led into this. I would like to sit down with you and discuss it with you at length.

VOICE. Well, any time you're ready.

VOICE. But I would like to know from you, if you can tell me, who was it that gave you orders when you were chief? Somebody gave you orders, about who was to operate and who wasn't to operate and when they were to operate and when they weren't.

VOICE. Well, as a rule it was Mr. Renshaw that they charged they interfered with the hotels, and so forth, and were playing short cards and playing for the entertainment of the guests and let the guests play cards in the hotel lobbies, and, and I usually took my orders from him.

VOICE. How about bookmaking?

VOICE. Melvin, I would rather talk to you sometime when we're not on the telephone about that.

VOICE. All right. How about tomorrow?

VOICE. Anytime you say.

VOICE. Well, let me see, tomorrow is Thursday. Can you get away at lunch-time?

VOICE. Yes, sure.

VOICE. How about stopping around my office about 12 o'clock, and I'll see you.

VOICE. O. K., I'll do that.

VOICE. Good. Good. Thank you.

VOICE. The foregoing was Phil Short, May 10, 1950, in the afternoon.

Mr. HALLEY. When did that conversation take place?

Mr. RICHARD. On May 10, 1950. I recorded the date right on the machine, so I wouldn't forget the date.

Mr. HALLEY. Was that transcription an accurate report of the conversation?

Mr. RICHARD. It was an accurate report.

Mr. HALLEY. Did he mention in that telephone conversation the name of the person who gave him orders when he was chief of police?

Mr. RICHARD. Yes. He said "Renshaw."

Mr. HALLEY. Who is Renshaw?

Mr. RICHARD. Renshaw is Claude N. Renshaw. He is the city manager for the city of Miami Beach.

Mr. HALLEY. Did Short come to your office on the next day?

Mr. RICHARD. He did, about 12 o'clock.

Mr. HALLEY. And did you have a further conversation with him?

Mr. RICHARD. Yes; I think I talked to Phil Short from about a half hour to 40 minutes.

Mr. HALLEY. Would you state the conversation to the committee?

Mr. RICHARD. I recall that I asked Phil Short whether it was possible to close down the city of Miami Beach without any difficulty, and he said there would be no difficulty at all; that the chief of police could close the town in a matter of hours. And I asked him if that was so, why he had never closed it down during the time he was chief. He said while he was chief of police he closed it down on two occasions.

I asked him what the occasions were. He said that one was authorized and one was unauthorized.

I asked him if he would tell me what these occasions were. He said he closed the town immediately after he got into office, and he was immediately advised by higher-ups to lay off.

He indicated that it was the city manager who called him and told him that he didn't want the chief of police engaging in those activities. He said that he subsequently closed the town again on orders from the city manager.

I asked him how it was possible for him to close the town on that occasion; exactly what did he do.

He said he called Detective Pat Purdue, the one-man bookie detail of the vice squad, and he told Pat Purdue to go out and close it down, and he closed it down in a matter of hours.

I asked him how it was possible for Pat Purdue to accomplish that, and he said all he had to do was to go out and tell the boys that the "heat was on" and they closed up.

I asked him how come he thinks that Chief Simpson hasn't been able to accomplish the job; that he has told me time and again that they couldn't catch these fellows, and why is it that Pat Purdue finds it so difficult catching people in the hotels, in bookie establishments, when he was able to close the town, and he said he was an honest cop when he was chief of police, and he knew that unless he followed orders that he was going to lose his job; that he thinks that City Manager Renshaw is also an honest city manager, but in order to keep his job he realizes he must do whatever four councilmen tell him to.

We talked further about the Club Collins raid at some length. He gave me a detailed report on it. I don't know if it would serve any useful purpose to the committee if I gave you the report. I can tell you what happened in that raid.

Mr. HALLEY. Would you summarize it?

Mr. RICHARD. He said he made this raid without the authority of the chief of police and without the knowledge of the chief of police; that he took a group of men who were lower in rank than he was,

and ordered them to meet him one night at the golf-driving range on Washington Avenue, near, well, it's near Dade Boulevard on Miami Beach.

He said that the only policeman that he confided in was an officer on the beat named Raskin, and he said the reason he confided in Raskin was because Raskin was acquainted with the territory and was able to advise him what should be done, and Raskin recommended that the time of the raid should be in the vicinity of 11 o'clock at night; that that was the time when most of the racketeers were in the vicinity.

He said he proceeded with these men at about that hour to the Club Collins, and when he got there I said to him, "Did you take a search warrant?"

He said, "No; I stopped at the city shop and picked up a sledge hammer."

He said that the Club Collins had a solid-steel door and when he got up to the elevator door the door was wide open. He said that the people whom he ordinarily expected to be hanging out there were all gone, and there was a group of what he thought to be "plants" sitting in the various seats around the tables.

They were holding cards, but he said that from the fashion in which they were holding them they obviously weren't playing any particular game of cards. They were waiting for Phil Short and party to arrive, and they were looking over their cards.

He came in there and there was nothing going on that would warrant making an arrest.

Mr. HALLEY. Was there any further conversation about that matter?

Mr. RICHARD. No; there wasn't. That is all he told me about the Collins Club, the Club Collins raid.

Mr. Halley. What else did you talk with Phil Short about on that occasion?

Mr. RICHARD. I don't recall. There was a lot of small talk and conversation, but basically what I was trying to find out from him was who gave orders to keep the town closed and why it couldn't be closed, and I think I have given you a good summary of that conversation.

Mr. HALLEY. Did you make a study of certain real-estate transactions in the Miami Beach area?

Mr. RICHARD. Yes. It was about 4 or 5 years ago that I became curious, because I observed in the newspapers that members of the S. & G. Syndicate were purchasing a considerable amount of real estate in the Indian Creek area, what is commonly known at Miami Beach as "Millionaires' Row," between Forty-fourth Street and Fifty-ninth Street.

At that time we had a committee, the junior chamber of commerce, that was created at my instance, a law-enforcement committee. I proposed that this committee investigate the ownership of those parcels of land.

The committee worked with me for a period of time, and then because I could give no reason for doing what I was doing—and I had no reason at the time: I didn't know what I was looking for—they abandoned the project, and I proceeded to complete it myself.

I worked many hours at the courthouse, and finally developed the titles to every piece of property in that Indian Creek area. After I

had all the titles I didn't really know what to do with them. I was in Mr. Ford's office one day. It's in the circuit court offices, the clerk's office where the records are. I asked Mr. Ford if he had a book indicating the places where the deeds are returned and, also, if he had a book which would show me where tax bills are sent.

I realized that when an attorney closes a real-estate deal he customarily has the deed returned to his office, and I was curious to know who the attorney was, who might be representing the people in these transactions.

He said he had such a book. I checked through it, and I found the name of the attorney who was representing the members of the syndicate who were purchasing property there, and I found some other interesting information in the return of those tax bills to various people.

I believe I gave you a letter that I sent to Mr. Taylor.

Mr. HALLEY. How did you happen to write the letter?

Mr. RICHARD. I wrote this letter to Robert Taylor in an effort to take some action in connection with law enforcement.

Mr. HALLEY. Who is Mr. Taylor?

Mr. RICHARD. Mr. Taylor is the county solicitor for this area.

Mr. HALLEY. And under what circumstances did you write to him? Had you talked to him previously?

Mr. RICHARD. Yes. I talked to Mr. Taylor on several occasions on the telephone. I attempted to make an appointment with him. On one occasion I broke an appointment with him, and on another occasion he told me he wasn't able to see me. We weren't able to get together.

I wrote the letter because I didn't really think that seeing Mr. Taylor was going to accomplish anything. I thought perhaps a letter of this kind, if published, would stimulate him to take some action on the law-enforcement scene.

Mr. HALLEY. What is the date of the letter?

Mr. RICHARD. June 15, 1950.

Mr. HALLEY. Using the letter to refresh your recollection about the real-estate transactions, will you go ahead and tell the committee what you found?

Mr. RICHARD. I might comment that one of the things that prompted the letter was the activities of this committee, Senator Kefauver's committee. I made reference to it here, and particularly the action taken by Mr. Hogan in New York.

I called attention to the fact that such action can be accomplished by the prosecuting attorney if he wants to accomplish the job.

The excerpt that I would like to read to you refers to this property I cited in this letter:

I further recommend that you might possibly procure some valuable information from your brother-in-law, Ben Shepard, who is the city attorney in the city of Miami Beach. He has apparently had considerable dealings with the S. & G. Syndicate members and might be able to give your office a great deal of valuable information concerning their operations. To illustrate what I have reference to, I quote from a portion of an instrument filed by me on May 30, 1947, in a cause pending in the circuit court of Dade County, Fla., in chancery No. 96153-F. It should be borne in mind, in examining the quotation, that it is customary practice, as you well know, for attorneys, in the representation of clients purchasing real estate, to have the deeds returned from the recording department to their own offices.

The excerpt from the pleading referred to reads as follows:

Before I tell you that, people who own property in that area have been seeking to have it rezoned through the courts.

It is significant to note that the fee-simple titles to many of the lots in that area are vested in the names of members of the syndicate hereinabove referred to and are vested in the names of persons who in some way are directly associated with the city hall in Miami Beach, Fla. Those fee-simple ownerships are set forth in the following list together with other significant information showing to whom the original deeds were returned and to whom tax bills are sent:

Amended plat, first ocean-front subdivision:

Lot No. 4, the fee-simple owner: Virginia Levitt and Samuel Friedman. The deed was returned to Ben Shepard, who, I explained, was city attorney. The tax bills were sent to Virginia Levitt and Samuel Friedman.

Lot. No. 5, the fee-simple owner: Harold Salvey. The deed was returned to Ben Shepard. The tax bills were sent to Harold Salvey.

Lot No. 13, in the north half of lot 12, the fee-simple owners: Samuel P. Cohen and Charles Friedman. The deed was returned to Samuel Cohen in care of Sam Kay. The tax bills were sent to Samuel P. Cohen and Charles Friedman, in care of Sam Kay.

Lot No. 14, the fee-simple owner: Ocean Front Apartments, Inc. The deed was returned to J. N. Morris, and the tax bills were sent to Ocean Front Apartments, Inc., in care of Sam Kay.

Lot No. 23, the fee-simple owner: Harold Salvey. The deed was returned to Copeland, Therrel & Baisden. The tax bills were sent to Harold Salvey.

Lot No. 24, the fee-simple owner: Charles Friedman and Jules Levitt. The deed was returned to Copeland, Therrel & Baisden, and the tax bills sent to Charles Friedman and Jules Levitt.

Lot No. 243, the fee-simple owner: Virginia Levitt. The deed was returned to Virginia Levitt, and the tax bills were sent to Virginia Levitt.

Lot No. 337, the fee-simple owner: Jules Levitt and Charles Friedman. The deed was returned to Ben Shepard. The tax bills were sent to Jules Levitt and Charles Friedman.

The amended plat of the second ocean-front subdivision is an area in the same stretch of ground also known as Millionaires' Row.

Lots Nos. 1 and 2, the fee-simple owner is William Burbridge, a member of the city council. The deed was returned to Copeland, Therrel & Baisden, and the tax bills were sent to Ben Shepard.

Lots 4, 5, and 6: The fee-simple owner is the Ray Corp., and the deed was returned to Copeland, Therrel & Baisden. The tax bills were sent to William Burbridge.

The pleading went on to say:

It is significant to note that in the case of the members of the syndicate the deeds in some instances were returned to Ben Shepard; that Ben Shepard is the city attorney for the city of Miami Beach and is the attorney of record for the city of Miami Beach, the defendant in this cause of action. It is further significant to observe that Ray Corp., hereinabove mentioned, in its last report filed with the Secretary of State of the State of Florida designated as its place of business or domicile for service of process 1130 Washington Avenue, Miami Beach, Fla., which is the city hall at Miami Beach, Fla.; that the officers of the corporation—

The CHAIRMAN. Wait just a moment. The Ray Corp.; is that R-a-y?

Mr. RICHARD. That is R-a-y, sir. Shall I proceed?

The CHAIRMAN. Go ahead.

Mr. RICHARD (continuing to quote) :

that the officers of the corporation in the said last report were shown as Farber Burbridge, president; William Burbridge, secretary and treasurer, both in care of Ben Shepard, attorney, City Hall, Miami, Beach, Fla., and the directors of the corporation were shown as Farber Burbridge, William Burbridge, and Ben Shepard, attorney, 1130 Washington Avenue, City Hall, Miami Beach 39, Fla.; that the said William Burbridge named as an officer and director of the said corporation is a member of the Miami Beach City Council. With respect to lots 13 and the north one-half of lot 12 of amended plat, first ocean-front subdivision, aforesaid, the fee-simple owners, care of S. Kay, 420 Lincoln Road, Miami Beach 39, Fla.; that the said S. Kay owns considerable property as shown hereinabove in the name of Sam Kay and is an officer and director in Ocean Front Apartments, Inc., a Florida corporation, which latter corporation is fee simple title holder of certain lots as shown hereinabove. Virginia Levitt is the wife of Jules Levitt.

And that was the end of the pleading.

The CHAIRMAN. Mr. Richard, will you make a copy of this letter as an exhibit to your testimony and refer to it in any way you wish?

Mr. RICHARD. Do you want the entire letter?

The CHAIRMAN. Yes, sir.

(The letter referred to was marked "Exhibit No. 120" and appears in the appendix on p. 750.)

Mr. HALLEY. Would you explain whether there was a matter pending at that time involving an effort to re-zone certain parts of Miami Beach?

Mr. RICHARD. Yes. Several suits were pending, I believe. This pleading that I filed was one that I filed in one of those suits and in which I asked the circuit court to oust Mr. Ben Shepard as attorney for the city of Miami Beach, on the grounds that he represented persons who were interested in the re-zoning and apparently had an interest of some kind himself, as shown by the deeds.

Mr. HALLEY. The re-zoning involved the property you have been talking about?

Mr. RICHARD. It involved property in that stretch, all of which is estate property. That is the same property that Mr. Sullivan in his testimony made reference to.

Mr. HALLEY. And the city of Miami Beach was opposed to the re-zoning?

Mr. RICHARD. Yes. The city of Miami Beach was defendant in the case.

Mr. HALLEY. And the attorney for the city of Miami Beach was the same Ben Shepard; is that correct?

Mr. RICHARD. Yes, he was.

Mr. HALLEY. The same one whom you find representing or at least, depending upon the deed, the attorney representing some of these cases, the attorney to whom the deed should be sent in these cases?

Mr. RICHARD. And as director, I believe, and officer of one of those corporations.

The CHAIRMAN. Which corporation was that?

Mr. RICHARD. That was William Burbridge's corporation. That was the Ray Corp.

The CHAIRMAN. What business was the Ray Corp. engaged in?

Mr. RICHARD. As far as I know—I don't know, really. I doubt if it was in any business. It was probably created for the purpose of holding this property.

Mr. HALLEY. After you were elected to the city council did you have any discussions with Jules Levitt?

Mr. RICHARD. Jules Levitt talked to me prior to my election to the city council and subsequent to my election to the city council.

Mr. HALLEY. Was there any discussion about your campaign expenses?

Mr. RICHARD. Yes. Immediately after my campaign in which I ran for the council, in 1947, Jules Levitt met me one day at the city hall. There were some people present whom I did not know, and I don't think he knew them either; they were strangers. (I say that because since I have made reference to this story some man called me some time ago and told me he was present and heard the remarks that passed between us.)

Mr. Levitt told me that he had a lot of admiration for the campaign I ran, that he thought I had done a good job. He said that I didn't tell the truth when I stood on the lot and said that he had to hear me when he came out of his home at night, that he came out at night and stood in the shadows and listened to my speeches. He said the only thing he resented was the fact that his sons had very fine grades at college and he resented the things I said about their father.

He said I would be the next mayor of Miami Beach, and that he and the S. & G. Syndicate would support me handsomely.

He told me that he was going to make the first contribution to my next campaign and that he would give me personally out of his pocket the total amount that I had spent on my campaign for office that year, 1947.

He asked me how much I had spent. I told him, "At least \$2,500." He said that the first contribution to my campaign would be \$2,500 and the S. & G. Syndicate would support me in addition to that.

He told me that he had confidence in me and was willing to take me around and show me the entire syndicate operations, that he would show me their main office and branch offices, that he would show me how it operated and that he would convince me that they were an important asset to the community, that they served to keep out a lot of the New York racketeers who would otherwise be in the areas not controlled by the local boys.

He told me that I was tired and ought to go on a vacation. He recommended that I visit a farm that he had in North Carolina. He said that he would arrange to have plane tickets for me. I told him I couldn't possibly consider leaving the city of Miami Beach because I had spent 30 to 40 days in my campaign and I hadn't practiced law, and I had nothing to make a living by.

He told me that in North Carolina I would earn legitimately in my practice of law as much as I would have earned had I remained here.

I told him that I had a wife and two children and couldn't afford to leave. He said that plane tickets would be available for my entire family, and we could stay as long as we liked. He said there was a lake there and horses and we would have a wonderful time.

I rejected his invitation.

Mr. HALLEY. Was there any further discussion about how you would not lose money while you were away on vacation?

Mr. RICHARD. He said that in my law practice I would earn as much money as I would have earned had I been in the office practicing law. I did not engage in any discussion with him as to how this was to be accomplished.

Mr. HALLEY. Was there any discussion as to the possibility of making profitable business transactions?

Mr. RICHARD. No. I think in a conversation with you I mentioned that, but Jules Levitt was not the man who made that reference to me. I did have a conversation with Jules Levitt on two other occasions. On one occasion I met him in front of the city hall. I had been pushing for some four-wall handball courts in Flamingo Park, and I tried to get the council to put them in. I had played handball in the Navy, and I thought it was a game that would interest a lot of the citizens of the community. All of the members of the council apparently were reluctant to do it and consequently they paid little, if any, attention to my request. I met him in front of the city hall and we discussed something about some four-wall handball courts in Flamingo Park. I told him that I merely had mentioned it to the city council, telling them that I thought four or five thousand dollars would be adequate for that purpose, and he said, "I think it is a good idea and I will help you." I said, "How can you help me," and he said, "I will do what I can." So the next time the city council met it was taken up and apparently without any request from anybody—I don't know whether Jules Levitt had any influence in accomplishing it or not, but I do know that they appropriated a considerable amount of money, something like \$32,000, and they built very elaborate four-wall handball courts in Flamingo Park. They were built of solid concrete walls, concrete block with glass in them and very fancy outside; they are very beautiful courts and they have served the city very well.

Mr. HALLEY. Mr. Jules Levitt is a member of the S. & G. Syndicate?

Mr. RICHARD. So I understand. He did call me on one occasion after my election. I am pretty sure that it was subsequent to my election, and he merely asked me if I would be willing to handle the real-estate business of the members of the syndicate. He said that they had considerable real-estate business from time to time, and he wanted to know if I would be willing to handle it and that it would be strictly on the level. I told him that I was reluctant to say that I would be willing to handle it. I hung up and I thought about it for a little while and got to wondering who I could discuss the matter with. I finally did call one of the top-ranking newspapermen here and I asked him what his impression was. I called John Pennekamp of the Miami Herald, and he said that it was just an effort by them to get my name on a check, and that it would be very foolish for me to become involved with them in any way. I never did any real-estate work for them.

Mr. HALLEY. Did you ever do any work for Jules Levitt or Leo Levitt, Ben Cohen or Sam Cohen or any of the members of the S. & G. Syndicate? Did you ever receive any compensation from any of them?

Mr. RICHARD. No, sir.

Mr. HALLEY. Did they ever support you in your election campaigns?

Mr. RICHARD. No, sir. All of the money that we took was very carefully examined and every contribution went into a bank account and all moneys were expended by check.

The CHAIRMAN. You turned down that offer that was made to you?

Mr. RICHARD. Yes.

Mr. HALLEY. Did you ever have a conversation with Ben Cohen about the S. & G. Syndicate?

Mr. RICHARD. Yes, I did. It was in what is now the Prado Restaurant, but at that time it was called Murray's. I cannot place the date. I don't know whether it was prior to the election or after the election, but I am sure Mr. Cohen remembers. I went in the restaurant and sat down alone for lunch, and in a few minutes later, by accident possibly, Mr. Snedigar, who was a city councilman at one time and who is now a member of the county commission, walked in and saw me at the table and asked to sit down and have lunch with me. I said I had no objection. A few minutes later Ben Cohen walked in and he asked me the same question and he sat down at the table, too. I had never seen either of these men in this place before, although I had been eating there regularly because the place was immediately across the street from my office.

After we sat there for a few minutes Mr. Cohen opened the conversation with a casual reference to the S. & G. boys. He told me that if I got to know them I would realize that they are fine boys, fine fellows and "that they are the type of people you would be proud to have in your home."

We got into a lengthy discussion and I told him that "they are I am sure very nice and fine fellows but they belong in jail because they are violating the law." I told him that in the course of my experience I had met some very fine people who were in jail for committing crimes and that they were very nice people to talk to. We continued talking back and forth and the argument got considerably heated and we didn't get along well. The session finally ended and we walked out to the curb, out on the sidewalk, and we continued arguing. I realized that I was arguing with Mr. Cohen in front of people who were passing along on the public street and that it was very foolish, so I stopped. I thought it was foolish for me to continue such discussion with him out there on the public street. I said, "Ben Cohen, you are part and parcel in this thing; you are a part of the S. & G.," and Bennie got mad and pointed his finger at me and said, "Don't let me hear you say that again. I am not part and parcel of the S. & G. Syndicate. I am an attorney and I practice law and I have a right to represent whoever I please," and I said, "Bennie, I am surprised because only 30 minutes ago you told me that these men were people that I would be proud to have in my home."

Mr. HALLEY. Did you ever check up and find out if Ben Cohen ever represented himself as a part of the S. & G. in connection with their business, other than to represent them as counsel?

Mr. RICHARD. Yes. I have documentary evidence that he has represented himself to be the attorney for the S. & G. Syndicate.

Mr. HALLEY. What is that documentary evidence?

Mr. RICHARD. The S. & G. Syndicate, after the local newspapers reported in 1949 that they had offices but no license, went down and took out a license or licenses, and these are photostatic copies of city licenses. This one here is for 1947-48 license, S. & G. Investment Co., 422 Lincoln Road. The manager is given on the license as Leo Levitt and the business is given as investments.

The 1948-49 license is the same thing with the manager again given as Leo Levitt.

The 1949-50 license is of the same type, with the names shown as Sam Friedman and Leo Levitt.

This document is a photostatic copy of a card attached to the application for the original license in 1947 which was signed Leo Levitt, by Ben Cohen, attorney. It is an application of the S. & G. and on the reverse side it was sworn to by Ben Cohen before a notary public, in which he states that the contents on the reverse is true.

The CHAIRMAN. Let these be filed as an exhibit to your testimony. (Photostats of 1947-48, 1948-49, and 1949-50 licenses were marked "Exhibit Nos. 121, 122, and 123," respectively. Photostat of card referred to was marked "Exhibit No. 124." These exhibits appear in the appendix on pp. 753-754.)

Mr. HALLEY. Was there a suggestion made before the City Council of Miami Beach recently that the city hall be moved?

Mr. RICHARD. No. There was a letter read by the city clerk. We had been looking for additional space because the city hall is not quite large enough to accommodate our offices. The city clerk read a letter from some person who wasn't named, but in the letter it was stated that space was available on an entire floor of a building which could be used for operations of the city hall. This letter concerned the rental of this space by the city. I asked what the address was and he said Fourteenth Street and Washington Avenue, and I inquired around and found that it was Harry Salvey's building. I said that I was very much surprised that they would attempt to move the city hall right into their own property.

Mr. HALLEY. Who is Harry Salvey?

Mr. RICHARD. He is reputed to be a member of the S. & G. Syndicate.

Mr. HALLEY. Is there anything else you would like to say to the committee?

Mr. RICHARD. I feel very strongly about the situation that exists here. I think we have to do a big job locally. I think this committee is doing a splendid job and I think the crime commission should be commended for the wonderful job it has done, but I think the jurisdiction of this committee is not going to reach far enough because of its inability to go into the local situation completely and fully. I think we need principally a program of education of the people and thus avoid this propaganda that has been going on over there by these public relations men of this gambling syndicate to the effect that gambling is essential to the economy of the city, which is a pretty tough thing to overcome.

The CHAIRMAN. How old are you, Mr. Richard?

Mr. RICHARD. Thirty-eight.

The CHAIRMAN. Where did you go to school?

Mr. RICHARD. I went to school at the New York University and the Florida University.

The CHAIRMAN. Where were you born?

Mr. RICHARD. I was born in Brooklyn, N. Y.

The CHAIRMAN. Did you serve in the Navy?

Mr. RICHARD. I was in the Navy 2½ years.

The CHAIRMAN. How long have you practiced law at Miami Beach?

Mr. RICHARD. Since 1934, with the exception of the time I was in the Navy.

The CHAIRMAN. As I understand it, Mr. Richard, you lost your 1947 campaign?

Mr. RICHARD. Yes, I did.

The CHAIRMAN. You won in 1949?

Mr. RICHARD. Yes, sir.

The CHAIRMAN. Did the opposition of the S. & G. and criminal elements of Miami Beach defeat you in 1947?

Mr. RICHARD. Yes. I ran a campaign similar to the one I ran in 1947. Contributions came to the amount of almost \$5,000 and we had a campaign headquarters, which in that respect was different from the first campaign.

The CHAIRMAN. Did you win?

Mr. RICHARD. Yes.

The CHAIRMAN. And you didn't have them on your side?

Mr. RICHARD. No, sir.

The CHAIRMAN. Did you get a good majority?

Mr. RICHARD. Yes. I earned a 4-year term.

The CHAIRMAN. So the idea that one cannot be elected without their help and support has been disproven?

Mr. RICHARD. Yes, but it was a tough job.

The CHAIRMAN. Was there any recall petition brought against you?

Mr. RICHARD. Yes, there is a recall petition pending now to oust me from office, and that litigation is pending in the Supreme Court of Florida at the present time, to throw out the recall.

The CHAIRMAN. Who sponsored the recall?

Mr. RICHARD. The recall was sponsored by a group of people headed presumably by a man by the name of Harry Plissner, but I have reason to believe that the man who was really the front man is a man by the name of Charles Gunches who has since been arrested by the FBI and is being held in California.

The CHAIRMAN. What was he arrested for?

Mr. RICHARD. On some kind of an embezzlement charge. According to the newspaper article he said that he spent the money betting on horses and baseball games.

The CHAIRMAN. He was the chief sponsor of the recall petition?

Mr. RICHARD. That is what I have been told. Plissner, who was in the front of this recall movement, has been indicted by the grand jury.

The CHAIRMAN. In your opinion was the S. & G. back of the recall petition?

Mr. RICHARD. It is my opinion that they supported it, and I estimate that \$150,000 was spent on the recall.

The CHAIRMAN. What charge did they place against you in the recall petition?

Mr. RICHARD. The charge was that I pursued activities that were inimical to the best interests of Miami Beach and its citizens, but they didn't say which citizens.

The CHAIRMAN. What activities were they?

Mr. RICHARD. They didn't name any activities. That was the only charge in the recall affidavit.

The CHAIRMAN. Who is Mr. Plissner?

Mr. RICHARD. Plissner is a man who was active in my campaign and who helped me considerably. Since the election he has been indicted by the grand jury on a bribery charge. The bribery charge was thrown out by Judge Holt on the ground that I was the man who was

supposed to have been bribed, and Judge Holt said that I could not have been bribed because what I was supposed to be bribed for I couldn't do. That case is now before the supreme court.

The CHAIRMAN. What was the connection of Plissner in that case?

Mr. RICHARD. He is the defendant.

The CHAIRMAN. Tell us more about the story of your relationship with Mr. Plissner.

Mr. RICHARD. I met Mr. Plissner as a member of the junior chamber of commerce. He is not a man that you would expect to be in the chamber of commerce, the junior chamber of commerce, because he is much older than the age limit. I would guess that he is about 55. He appeared at the junior chamber of commerce one night and got up on the floor and complained about some specific matter, and, as usual and customary in organizations of this type, the president of the organization named him as a committee of one to go out and do something about it. Nobody expected to hear from him again.

At the next meeting, toward the end of the meeting, he got up and complained about the fact that he had been appointed a committee of one to do a certain thing and that he had not been called upon to report. He got up and made an excellent report, plainly showing that he had done much work and had accomplished some good for the organization. He was retired and apparently had nothing to do and was apparently willing to give all of his time to civic activities. He showed a real interest in me and my activities and showed a real desire to help me in my civic endeavors for the benefit of Miami Beach.

The CHAIRMAN. He was interested in civic activities and he supported you in your election?

Mr. RICHARD. Very actively.

The CHAIRMAN. Then what happened?

Mr. RICHARD. After the election he showed considerable temperament. He became angry because I wanted to talk to people on the street and because I wanted to return about a thousand telephone calls that came in during the first 2 weeks after my election. He said that he should handle the business for me, that a politician should have someone to handle things for him. We had some very terrific arguments during the first 2 weeks after the election. He told me that I would have to make deals. He said that if I wanted to accomplish any of my campaign promises that I would have to have a go-between, and he said that the best man would be Will Burbridge because he had had considerable experience and knew his way around, and I told him that I would not do anything of the kind. He finally worked himself up to the point where he suggested deals. I want you to know that this happened over a period of 2 weeks; it happened every night at my home and every day in my office. This final proposition that he made to me was one where he came to me and told me that I had to hear him out and let him finish without my saying anything. He said that the arrangement was to permit the S and G syndicate to run without any effort on my part to stop them; he said that he realized that the newspapers would condemn me for it and for not keeping my campaign promises.

He told me that there would be no objection to my getting up in the council meetings and denouncing the S and G and the racketeers; and I could go to the chief of police publicly and condemn him; that I could go to the city manager publicly and condemn him, but that

I could not do it privately, but that if I did it publicly they would understand the reason for it. He said that I could also arrange raids to be staged in scout cars, that I could have the photographers there and that pictures would be taken and that important people would be arrested. He said that it was none of my business what happened after the arrests were made. He said that if I did these things the people would say that I had done my duty. He said that I could even condemn the prosecuting officers for failing to do their duty.

The final deal he made to me was that he was going to handle the punchboard deal in the city of Miami Beach and that one-fifth of any income would be paid to me. He said that it would be paid to me through legitimate channels. He said that he would make arrangements so that nobody could ever prove that any of this money was paid to me.

The CHAIRMAN. Who said that?

Mr. RICHARD. Plissner. He said that he had made these arrangements and that if I went along I could probably stay in the city council forever because they controlled the votes and the people would think that I had done my duty in accordance with my campaign promises and so forth.

The CHAIRMAN. What did you do about it?

Mr. RICHARD. I had a very vicious argument with him, and he left on that occasion very angry. I think I had better tell you the rest of the story.

The CHAIRMAN. Yes, go ahead and tell us.

Mr. RICHARD. Well, I knew Mr. Plissner quite well and we were still friendly, and I told Mr. Plissner I was very much concerned with the difficulties I was running up against and that I didn't know my way around politically; that I didn't know in what direction to go or in what course I should go, and I didn't know who to talk to and I didn't know who to trust and that I didn't know really how to stop this gang situation on Miami Beach.

I had talked to Mr. Renshaw in the early part of my career after I got elected and he assured me that one man could stop the gang operation, one councilman, but I didn't—he didn't tell me how and I was ashamed to ask him. I wanted him to thing I knew how.

I told him that under the circumstances I would like to consult with the people who would best aid me in a campaign of this type, and I told him that I thought the people to help me best were the people who helped me get elected, and I proposed to call them together if I could get them—the heads of the two newspapers that supported me—the Miami Daily News and the Miami Herald, and although at that time the Florida Sun had not supported me, I said in all fairness I wanted to call them in, too. I wanted to present the problem to them not for the purpose of publicity, but to get them to advise me on what am I to do. They created something and I wanted some help to tell me how to go about ending this situation on the Beach that was bad.

Well, before I realized it, they were willing to meet at my office and with some trepidation I called Mr. Pennekamp and I called Mr. Mahoney and Mr. Storer and I offered to meet with them any place they wanted at their convenience and it was they who suggested that they would be more than willing to meet at my office and they said no such meeting had ever taken place before. This meeting was scheduled for a specific date, but before that date I had this fight with

Plissner and we weren't talking. We had a meeting at the city hall the day that this meeting was scheduled to take place at 2 o'clock in the afternoon.

I left the city hall. I believe the meeting was a tax equalization board meeting, I am not certain. I left the city hall and went across the street to a little restaurant to get something to eat, and Plissner, who had been in the city council chamber, followed me across and sat down at the table. He asked me if I had any objection to his eating there and I told him I had no objection; that it was a restaurant and that he had a right to eat there if he wanted to and we engaged in small talk.

I kept taking my watch out and finally he asked me why I was looking at my watch and I told him that I might as well tell him that that meeting that I had arranged for was scheduled for that date at 2 o'clock, and I told him no, I didn't intend to invite him to the meeting, but the more I think about it, the more I think it is a good idea. I said, "I am going to tell these men exactly what I have to contend with." I said, "I am going to tell them about people like you and what you are asking me to do."

I said, "I am going to tell them, without naming you, that I can't get anywhere with any civic project; that I am just going to be a bump on a log in a city council and I am going to tell them the problems that I have and I am going to ask them to answer me," and I said, "If you want to come along, I will put you on the spot and you can discuss the matter with them yourself." He said he would be glad to come.

He came to the meeting, and the men attended. Each of the men brought men from the editorial staff with them. Mr. Storer did not attend. He sent two men from his newspaper. I presented this story and I turned it over to Plissner without saying that he was the man who had made these proposals, and the argument that ensued lasted, I think, for about 2 hours. It was a very vicious argument between Mr. Plissner, Mr. Pennekamp and Mr. Mahoney largely. When the meeting was over they went away and Mr. Plissner stayed behind. He got quite hysterical in the office and he told me that the newspapers were seeking nothing more than headlines; that as long as they could use me they would, and that I was a damn fool to go along with them; that they would just as quickly break me as carry me; and that I owed it to him—that he elected me and it was my obligation to see that he got the punchboard deal or some other income.

He suggested what I might do for him and he got so hysterical that he shouted something about his sister-in-law needing money, that she was in the hospital, and I told him that that was ridiculous; that he was a retired man with a big home and that he had property in this area, and I finally didn't know how to get rid of him and I told him I had to leave the office and I turned down the lights and walked out and he followed me down the street and when we got to the street I told him I didn't think we thought alike and I didn't want to see him any more and I left, and the next day a friend of mine called me and told me that he had been over to this friend and told this friend that I had dismissed him from my service.

The CHAIRMAN. When did the recall petition start after that?

MR. RICHARD. I don't know exactly how long, but I think the recall petition was started about 6 or 7 months after my election.

THE CHAIRMAN. How about the indictment? Tell how that got started. Make it as brief as you can.

MR. RICHARD. There is a reporter, I believe, in the courtroom who came from the St. Louis Post-Dispatch. As a matter of fact, I have mentioned this story numerous times before organizations without mentioning Mr. Plissner and I mentioned it on some radio broadcasts and nobody paid much attention to it.

The reporter from the St. Louis Post-Dispatch came to my office and asked me some questions. He published the story and it was carried in the local papers, and Plissner took it up there—took it up from there and commenced denying that he was the man who had made the bribe offer. I never named him. He started this denial. He went on the air and went before organizations and gave statements to the press. He commenced a general denial. That is how the thing grew up.

THE CHAIRMAN. What happened after that?

MR. RICHARD. Demands were made I name the man and demands were made by a radio commentator who had harangued immediately after that that some action be taken and finally I offered Mr. Mincer, who is the State attorney, that if I were asked to discuss anything with the grand jury, I was prepared to come in and tell my story any time they wanted to hear it. They sent for me. I talked to them and as a result of that talk an indictment was issued.

THE CHAIRMAN. And the indictment charged him with what? What was the charge?

MR. RICHARD. It charged him with attempted bribery. I don't know. The indictment, according to the newspapers, had some other reference. I never have seen the indictment.

THE CHAIRMAN. You mean some radio station harangued about that incident?

MR. RICHARD. Yes; and they regularly played some recordings of harangues of a slanderous character.

THE CHAIRMAN. What person on the radio?

MR. RICHARD. Barry Gray.

THE CHAIRMAN. What station was that?

MR. RICHARD. WMIE.

THE CHAIRMAN. Who is the owner of that station?

MR. RICHARD. I understand the station is owned by a man named McBride, and I believe his son is the owner of the Continental Press Service.

THE CHAIRMAN. Do you know whether an application is now pending for additional service or additional strength for that station by Mr. McBride?

MR. RICHARD. Yes. I talked to Mr. Becker while he was here, who was one of the attorneys for the Federal Communications Commission, and there was a hearing conducted here in which an application was made for, I believe, a permanent franchise or a permanent permit. I don't believe they have a permanent permit.

SENATOR HUNT. What are the station's call letters?

MR. RICHARD. WMIE.

THE CHAIRMAN. And they are now trying to void or throw out the indictment on the ground that what they charged that he tried to bribe you to do was not in your power to do; is that correct?

Mr. RICHARD. Yes, sir. Senator, I would like to make a comment. I have some very extensive wire recordings. I have mentioned this to Mr. Halley. They are wire recordings which indicate—they don't indicate—they state that attempts were made to, by threat and otherwise, procure witnesses to testify in behalf of Plissner. The recordings make it quite clear that the people who are making these demands now are making the statement that what Plissner said was untrue.

I told Mr. Halley that the recordings were so long, that they involve so many conversations that it would be a difficult thing to produce here.

The CHAIRMAN. Well, we will analyze them and use them in such manner as we think will suit the purpose of this inquiry.

Now, you mentioned the proposal for a punchboard deal that Mr. Plissner made of you; that he and two or three people would have control of the punchboards on Miami Beach; is that correct?

Mr. RICHARD. Yes. He said three people and he said that the net income—

The CHAIRMAN. Who were those three people?

Mr. RICHARD. He never mentioned any. He never mentioned the man who was going to accomplish this.

The CHAIRMAN. What did he say the net income would be?

Mr. RICHARD. He estimated it at \$750,000 a year.

The CHAIRMAN. A year?

Mr. RICHARD. Yes, sir.

The CHAIRMAN. \$750,000?

Mr. RICHARD. He said they could be placed in all of the hotels and all of the drug stores and all stores throughout the city and they could realize an income of \$750,000 a year.

The CHAIRMAN. Are there any questions, Senator Hunt?

Senator HUNT. No, sir.

The CHAIRMAN. Mr. Richard, this is a very interesting story you have given us, one in which I expect you will find counterparts in a great many places in the United States.

As far as the chairman of this committee is concerned—and I am sure that Senator Hunt joins me—we are glad to see that you have stood up against the assaults that have been made and we wish there were more people who would stand up like you.

Mr. RICHARD. Thank you, sir.

The CHAIRMAN. That is all.

The CHAIRMAN. Mr. H. G. Taylor? Will you come around?

TESTIMONY OF HARRY G. TAYLOR, ATTORNEY

The CHAIRMAN. Do you solemnly swear that the testimony that you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. TAYLOR. I do.

The CHAIRMAN. All right, Mr. Halley.

Mr. HALLEY. Mr. Taylor, what is your occupation?

Mr. TAYLOR. Attorney at law.

Mr. HALLEY. And where is your office?

Mr. TAYLOR. 807 DuPont Building.

Mr. HALLEY. Miami?

Mr. TAYLOR. Yes, sir.

Mr. HALLEY. Were you served with a subpoena by this committee to produce certain records?

Mr. TAYLOR. Yes, sir.

Mr. HALLEY. Have you produced those records?

Mr. TAYLOR. Yes, sir.

Mr. HALLEY. What records have you produced pursuant to this committee's subpoena?

Mr. TAYLOR. What I have; everything I have got.

Mr. HALLEY. Would you physically present them to the committee and describe what you have?

Mr. TAYLOR. I gave to your investigator a synopsis of all the files I have, and they are my personal files. No records of individuals are represented at all. They are office files and correspondence.

Mr. HALLEY. You do not have the original records; is that right?

Mr. TAYLOR. That is right.

Mr. HALLEY. You do have office files based on those records?

Mr. TAYLOR. That is right.

Mr. HALLEY. And you have produced them?

Mr. TAYLOR. That is right.

Mr. HALLEY. You have with you a copy of a summary; is that correct?

Mr. TAYLOR. That is correct.

Mr. HALLEY. May that copy be offered in evidence to save the committee's time?

Mr. TAYLOR. This is my retained copy. The investigator has the original and three copies.

The CHAIRMAN. We will file a copy that Mr. Keily has.

Mr. HALLEY. Now, would you introduce into evidence those files? The committee will attempt to return them to you within a very short time, but the committee would like to inspect them.

Mr. TAYLOR. I would like to announce to the committee that this is a matter with which we are concerned here. It is one of asserted Federal taxes and it involves possibly a criminal proceeding. That is the only interest I have in the S. & G. Syndicate or anything concerning the S. & G.

We are scheduled for a conference in Washington very shortly with respect to that. We have been preparing intensively for that conference. The removal of these records and so on, not mine in particular, but many of the others, will handicap us terribly in the preparation for that conference.

Mr. HALLEY. I do not believe that the committee would want to handicap you in your work, and I do not believe that the committee's perusal of the records would take over 24 hours. However, it might take a day or so longer. But the records will be reviewed and returned to you.

The CHAIRMAN. Mr. Taylor, what time tomorrow or the next day will you need the records? We want to cooperate with you in that matter and we appreciate the problem you have.

Mr. TAYLOR. If the records could be returned to me by Saturday—

The CHAIRMAN. The records will be returned to you by Saturday at 11 o'clock.

Mr. HALLEY. And the list of items will be your receipt.

The CHAIRMAN. Thank you, Mr. Taylor, for your cooperation. That is all.

Mr. HALLEY. I offer in evidence as exhibit No. 125 the records submitted by Mr. Taylor and identified pursuant to the memorandum which will be submitted by Mr. Kiely.

The CHAIRMAN. They will be received and made a part of the record as exhibit No. 125. The original records must be returned to Mr. Taylor at 11 o'clock Saturday. (Summary of records referred to was marked "Exhibit No. 125," and is on file with committee.)

Mr. HALLEY. Thank you.

The CHAIRMAN. It is quite apparent that from the very important but slow progress that we are making we are going to have to speed up considerably if we are to get back to Washington at any time in the near future. I think the committee had better meet at 9 o'clock in the morning instead of 10 and we will only take 45 minutes for lunch tomorrow noon, and go on perhaps later tomorrow afternoon than we have today.

The witnesses who have been subpoenaed will remain in attendance, unless you want to speak with Mr. Halley or some member of the staff about the time that you might be needed back here. Perhaps it is possible to dispense with quite a number of witnesses until tomorrow afternoon, or perhaps until late tomorrow afternoon, if you have other engagements that you need to make.

If any witnesses are in a position where they must get away tomorrow afternoon for some important personal or business matters which require them to leave at an earlier time, they will also speak to the counsel or to the staff and we will try to accommodate them in their problems.

With that the committee will stand in recess until 9 o'clock in the morning.

(Whereupon, at 6:15, the committee recessed until the following morning.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

FRIDAY, JULY 14, 1950

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
MIAMI, FLA.

The committee met, pursuant to recess, at 9:27 a. m., in the United States District Court, Miami, Fla., Senator Estes Kefauver, chairman, presiding.

The CHAIRMAN. The committee will come to order. The chairman would like to inquire in the beginning whether any of the 10 witnesses that we have been trying to get to appear before the committee and upon whom we have been endeavoring to serve subpoenas, have appeared this morning. If so, we would like to know, so that we can arrange our schedule and also determine whether or not we will have to rely upon secondary evidence in this hearing to prove some things that we would like to prove otherwise by more direct testimony.

Sam Cohen. Mr. Cohen, I believe, is in the hospital and had an operation; is that correct?

Mr. HALLEY. Yes.

The CHAIRMAN. So that he is accounted for. Harold Salvey. Did Mr. Salvey appear?

(No response.)

The CHAIRMAN. Charles Friedman.

(No response.)

The CHAIRMAN. Eddie Rosenbaum.

(No response.)

The CHAIRMAN. Jules Levitt.

(No response.)

The CHAIRMAN. William H. Johnston.

(No response.)

The CHAIRMAN. John Patton.

(No response.)

The CHAIRMAN. Jack Friedlander.

(No response.)

The CHAIRMAN. Harry Russell.

(No response.)

The CHAIRMAN. George L. Bowers.

(No response.)

The CHAIRMAN. Apparently none of these 10 witnesses are present. The Chair might remind them, in case they got the message, that they are not accomplishing anything by failing to appear here at this hear-

ing; that is, they are not accomplishing anything for their permanent betterment.

I believe Mr. Furman has answered a subpoena and has certain records that he wants identified.

Mr. Furman, will you come forward?

TESTIMONY OF M. G. FURMAN, ACCOUNTANT

The CHAIRMAN. Mr. Furman, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. FURMAN. I do.

Mr. HALLEY. Mr. Furman, were you served with a subpoena?

Mr. FURMAN. That is right.

Mr. HALLEY. Pursuant to the subpoena have you produced certain records?

Mr. FURMAN. All of the records I have in my possession.

Mr. HALLEY. Will you state what records you have in your possession?

Mr. FURMAN. A mass of detail pertaining to personal records of Harold Salvey and other working data which I am preparing in my capacity as an accountant retained by the attorneys for Mr. Salvey in connection with a case, an income-tax case, now pending before the General Counsel's Office of the Bureau of Internal Revenue, Washington, D. C.

Mr. HALLEY. Will you describe more particularly what these records are; what do they cover?

Mr. FURMAN. They cover the years starting January 1, 1945, and through to date. I have the detail through 1949 and 1950, I believe.

Mr. HALLEY. Will you now present the records to the committee? Would you like to turn them over in the brief cases or would you prefer to keep the brief cases?

Mr. FURMAN. No. I would just as soon turn them over that way, so I can get them back intact. They are arranged in a certain order.

Mr. HALLEY. Will you take each brief case and describe the contents?

Mr. FURMAN. I can tell you generally, because there is an awful lot of stuff there.

Mr. HALLEY. State it generally, but be complete.

Mr. FURMAN. There are tax returns there, copies; there are bank checks, bank statements; there are various instruments of ownership of property, mortgages, records of tax paid, and so forth.

Mr. HALLEY. I offer in evidence the miscellaneous files produced by Mr. Furman relating to Harold Salvey and related tax cases.

The CHAIRMAN. They will be received and made a part of the record. (The files referred to were marked "Exhibit No. 126," and were later returned to witness.) Now, the chairman understands, Mr. Furman, that you need these records in connection with work that you are doing.

Mr. FURMAN. Yes, sir.

The CHAIRMAN. We will undertake to see that they are returned to you as soon as possible, and I think it will be before the committee leaves Miami.

Mr. HALLEY. Do you have any other records of this S. & G. Syndicate in your possession?

Mr. FURMAN. At one time I had certain general records of the syndicate in my possession when I was working with Mr. Bowden, an attorney, and also Mr. Taylor.

Mr. HALLEY. Up to what period did you have those records?

Mr. FURMAN. I have had them off and on until a few weeks ago—up until last Thursday or Friday when I finished the date I was preparing for Mr. Bowden. Then I returned the records, and I gave my data to Mr. Bowden, the attorney.

Mr. HALLEY. Will you state to whom you gave the records?

Mr. FURMAN. To Mr. George K. Bowden, an attorney at law of Washington, D. C.

Mr. HALLEY. Did you return them to him in Washington or here?

Mr. FURMAN. I gave him the results of the various inquiries he requested me to make.

Mr. HALLEY. What did you do with the records?

Mr. FURMAN. The records themselves, sir, I arranged for the S. & G. man to pick up.

Mr. HALLEY. What was the name of the S. & G. man who picked up the records?

Mr. FURMAN. I think Leo Levitt picked them up.

Mr. HALLEY. When did Leo Levitt pick them up?

Mr. FURMAN. Either Thursday or Friday.

Mr. HALLEY. Of last week?

Mr. FURMAN. Of last week.

Mr. HALLEY. That was a week ago yesterday, or a week ago today?

Mr. FURMAN. That is correct.

Mr. HALLEY. Where did he pick up those records?

Mr. FURMAN. He picked them up from my office when I finished with them.

Mr. HALLEY. Do you know where Leo Levitt is today?

Mr. FURMAN. I do not.

Mr. HALLEY. When did you last see Leo Levitt?

Mr. FURMAN. Maybe Thursday or Friday.

Mr. HALLEY. Will you please be more definite? When did you last see Leo Levitt?

Mr. FURMAN. I finished the records on either Thursday or Friday. I left word in my office for them to contact the S. & G. office and arrange for them to pick up the records, because I was through with them. Then I put them in a certain place and told them where they were, so I presume he picked them up that day, because he did come over there occasionally when I asked for him, because he brought me records that I needed in connection with this tax case from time to time.

Mr. HALLEY. Did you see Leo Levitt?

Mr. FURMAN. I didn't personally see him.

Mr. HALLEY. Will you state when you did last see Leo Levitt?

Mr. FURMAN. I may have seen him about 3 or 4 days previous to that.

Mr. HALLEY. Did you actually see him?

Mr. FURMAN. Yes, I did.

Mr. HALLEY. And when did you last speak to Leo Levitt?

Mr. FURMAN. At that time?

Mr. HALLEY. On the telephone or in any other manner?

Mr. FURMAN. I have never talked to him on the telephone.

Mr. HALLEY. Have you had any communication with him since last Thursday?

Mr. FURMAN. I haven't.

Mr. HALLEY. Will you describe in specific detail the records which you turned over to Leo Levitt a week ago?

Mr. FURMAN. There was a general ledger and the general journals, and there was one book for 1949, I think it was, called client's ledger, customer's ledger, or whatever you want to call it.

Mr. HALLEY. Was there a cash book?

Mr. FURMAN. Yes.

Mr. HALLEY. A book showing disbursements?

Mr. FURMAN. That is right; that is a part of the journals.

Mr. HALLEY. Were there canceled vouchers and bank statements?

Mr. FURMAN. No. The work I was requested by the attorneys to do did not require me to use that data.

Mr. HALLEY. The work you were doing had to do with income received from the S. & G. Syndicate by the various partners; is that right?

Mr. FURMAN. My work had to do with specific questions that the attorney put to me, and he was largely concerned in finding out from me as an accountant what the actual bookkeeping and accounting procedure was.

Mr. HALLEY. So you went through the books to find that out?

Mr. FURMAN. To see what the bookkeeping routine was.

Mr. HALLEY. The attorney was very much interested, was he not, in the question as to what the actual income of the S. & G. Syndicate members was; am I right on that?

Mr. FURMAN. He had various reports that had previously been prepared by the one-time auditor of the S. & G. Syndicate who was killed in an accident some time back. He had all of these reports.

Mr. HALLEY. As to income?

Mr. FURMAN. As to income.

Mr. HALLEY. Since that date various claims have been made by the United States Bureau of Internal Revenue showing that the income was very grossly understated; is that correct?

Mr. FURMAN. The United States Bureau of Internal Revenue has proposed certain adjustments to income, which are being contested.

Mr. HALLEY. They are rather large, are they not?

Mr. FURMAN. They are rather large.

Mr. HALLEY. You are familiar with them?

Mr. FURMAN. I think Mr. Bowden showed me a memorandum at one time which he had in his possession. I don't recall what it was.

Mr. HALLEY. Is Samuel Friedman a member of the S. & G. Syndicate?

Mr. FURMAN. According to the information that has been submitted to me, I would say "Yes".

Mr. HALLEY. Is Harold Salvey a member of the S. & G. Syndicate?

Mr. FURMAN. So far, on the face of the information submitted to me, yes.

Mr. HALLEY. Is Jules Levitt a member of the S. & G. Syndicate?

Mr. FURMAN. Similarly, as far as I know.

Mr. HALLEY. Your answer is "Yes"?

Mr. FURMAN. That is right.

Mr. HALLEY. Is Harry Russell a member, of the S. & G. Syndicate?

Mr. FURMAN. He became a member, I think, in March of 1949. Prior to that time he never was.

Mr. HALLEY. He wasn't a member prior to March of 1949?

Mr. FURMAN. That is correct.

Mr. HALLEY. He was a member subsequent to March of 1949?

Mr. FURMAN. That is right.

Mr. HALLEY. Subsequent to March of 1949 he held a one-fifth interest?

Mr. FURMAN. I think that is what the records will reflect.

Mr. HALLEY. Was Edward Rosenbaum a member of the S. & G. Syndicate.

Mr. FURMAN. Correct.

The CHAIRMAN. Mr. Furman, the staff of our committee has not had an opportunity to examine the records you have brought here. We would like to give them that opportunity, and then we would like to question you briefly about some of the records. Would it be convenient with you to return at 2 o'clock this afternoon?

Mr. FURMAN. Yes; I could arrange that.

The CHAIRMAN. All right, Mr. Furman, we will excuse you at this time. You will remain under subpoena and will return to the committee at 2 o'clock this afternoon.

Senator HUNT. For the record, Mr. Furman, your initials, please.

Mr. FURMAN. M. G.

The CHAIRMAN. Mr. Jimmy Sullivan, will you come around?

**TESTIMONY OF JAMES A. SULLIVAN, SHERIFF, DADE COUNTY,
FLA., ACCOMPANIED BY RICHARD M. HUNT, ATTORNEY**

The CHAIRMAN. Mr. Sullivan, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. SULLIVAN. I do.

Mr. HALLEY. Will you, Mr. Sullivan, state your occupation?

Mr. SULLIVAN. I am sheriff of Dade County.

Mr. HALLEY. How long have you been sheriff?

Mr. SULLIVAN. Since January 3, 1945.

Mr. HUNT. At the outset of this witness' testimony, I would like to present into the record a statement by way of an objection on behalf of this witness, which doesn't go to the jurisdiction of the committee.

The CHAIRMAN. I understand, sir, that you are his attorney?

Mr. HUNT. That is correct.

The CHAIRMAN. What is your name?

Mr. HUNT. Richard M. Hunt.

The CHAIRMAN. Mr. Hunt, the committee is of course glad to give you the opportunity to appear with your client. Will you state the objection that you have to our interrogation of Sheriff Sullivan?

Mr. HUNT. The objection is not so much to the interrogation of him as to other matters that affect this witness and the general attitude and demeanor of certain members of the committee and its counsel in this proceeding, which I would like to reflect in this record.

THE CHAIRMAN. Do you want to make a brief comment? Do you want to file this objection?

MR. HUNT. I would like to read the objection.

THE CHAIRMAN. How long is it, Mr. Hunt?

MR. HUNT. Three pages.

THE CHAIRMAN. Can you outline the objection and summarize it for the benefit of the committee?

MR. HUNT. I would prefer not to in the interest of exactitude.

THE CHAIRMAN. Very well, will you read the objection?

MR. HUNT. The Supreme Court of the United States, in *Sinclair v. U. S.* (49 S. Ct. 268, 279 U. S. 263) and in *Federal Trade Commission v. American Tobacco Co.* (44 S. Ct. 336, 264 U. S. 298, etc.), said:

* * * And that case shows that, while the power of inquiry is an essential and appropriate auxiliary to the legislative function, it must be exerted with due regard for the rights of witnesses, and that a witness rightfully may refuse to answer where the bounds of the power are exceeded where the questions asked are not pertinent to the matter under inquiry.

It has always been recognized in this country, and it is well to remember, that few if any of the rights of the people guarded by fundamental law are of greater importance to their happiness and safety than the right to be exempt from all unauthorized, arbitrary, or unreasoned inquiries and disclosures in respect of their personal and private affairs. In order to illustrate the purpose of the courts well to uphold the right of privacy, we quote from some of their decisions.

* * * * *

In *Federal Trade Commission v. American Tobacco Co.* (264 U. S. 298, 305, 306, 44 S. Ct. 336, 337 (68 L. Ed. 696, 32 A. L. R. 786)), this Court said: "Any one who respects the spirit as well as the letter of the fourth amendment would be loath to believe that Congress intended to authorize one of its subordinate agencies to sweep all our traditions into the fire (*Interstate Commerce Commission v. Brimson*, 154 U. S. 447, 479; 14 S. Ct. 1125, 38 L. Ed. 1047), and to direct fishing expeditions into the private papers on the possibility that they may disclose evidence of crimes. We do not discuss the questions whether it could do so if it tried, as nothing short of the most explicit language would induce us to attribute to Congress that intent. * * * It is contrary to the first principles of justice to allow a search through all the respondents' records, relevant or irrelevant, in the hope that something will turn up."

The sovereign legislative power delegated to this committee by Senate Resolution 202 is definitely limited and restricted to the making of a study and investigation of the subject matter of the resolution.

Even in the trial of a criminal case, the person accused is presumed innocent until the contrary is made to appear to the exclusion of a reasonable doubt. The judge and jury approach their respective trial functions in the reception and consideration of evidence with open, fair, and impartial minds, and accord temperate and considerate treatment to the accused.

The proceedings before this committee do not closely approach the seriousness and finality of trial where judgment and sentence follow the verdict. This committee can only conduct a study and investigation through the use of fair and reasonable procedural means, consistent with the power conferred and the rights of citizens compelled to appear and testify by force of sovereign subpoena.

The committee and its counsel, we believe, have transcended the limits of committed authority, and violated the constitutional rights of citizens of this country in the following instances:

1. Committee counsel caused an ex-deputy sheriff (Howden) to testify to an inadmissible statement of another (who denied it) that the other person had made a very damaging remark concerning a fine

lady, wife, and mother of this city, whose husband is a witness, not a defendant, before this committee.

Committee counsel well knew that the person to whom the remark was to be attributed held it to be false, and he further knew, as an accomplished examiner, that this evidence would not be received in a court of law under the rules of evidence; but irrespective of his complete awareness of proclaimed falsity and evidentiary impropriety, he deliberately, heedlessly, and unnecessarily brought about a public smearing and indictment against an innocent lady which, as he doubtless intended, has brought great grief, hurt, and suffering to her and her two children.

2. The third-degree attitude and partisan slant of questions propounded by committee counsel clearly reflect the characteristic of a prosecutor boring in for the kill, rather than the calm, courteous, thoroughgoing demeanor of a quasi-judicial, official intent upon a fair and impartial discovery of facts.

The studied sarcasm and the I-don't-believe-you deportment of committee counsel betray him as having already chosen sides and alining himself on the issues before ever hearing the testimony of witnesses most vitally concerned in the proceeding. Such is not conducive to a fair study and investigation, nor is such demeanor and actions of counsel fair and just treatment of citizen-witnesses brought before this body.

3. The chairman of the committee is quoted in the morning paper as having stated publicly that, "We understand Sheriff Sullivan has been a very poor boy but he's pretty well off now. We're going to ask pretty direct questions." This statement, if true, indicates a state of mind on the part of the chairman which prejudges and convicts the witness of corrupt acts before his testimony is even heard or his records inspected, and bespeaks a mental adoption of the anti-Sullivan smear campaign of the two local dailies and Mr. Drew Pearson. Such statements cannot possibly aid the hearing record of this proceeding, and only serve to (a) damage and slander the witness in his name and official position, and (b) reflect a prejudgment which is contrary to American traditions and rules of law in judicial or quasi-judicial proceedings.

This temple of justice should not be perverted into an inquisition whipping post; the witness, an American citizen holding high office in his community, should not be made a public whipping boy; and the committee should not come into this State and city, aline itself with the political enemies of the witness, and become the sovereign executioner of the witness and his family under the aegis and shield of assumed, but undelegated, sovereign power.

The witness has responded to committee process and is prepared to answer all questions put to him by the committee and to submit documentary proofs upon both personal life and official acts. He expects to receive fair, proper, and unprejudiced treatment at the hands of the committee.

The witness and his attorney hold the committee and its counsel in the highest personal, professional, and official respect, and fully respect the process and dignity of the Senate and of this committee.

The witness will not, however, submit lightly to abuse or indignity in the course of the committee's exercise of committed power to study and investigate on behalf of the Senate of the United States.

In closing I would like to say that unless Mr. Halley submits before this hearing evidence which would be admissible in a court of law in connection with the left-handed and completely hearsay smear of Mrs. Sullivan yesterday, I would like to move the committee, at the conclusion of the hearing, to strike this testimony from the record to the end that innocent persons will not be made to suffer.

The CHAIRMAN. Mr. Hunt, you can make any motion at any time on behalf of any client that you represent. The committee is glad to have you make your statement which is now a part of the record.

I think I should call your attention to the fact that of course it is required of us by the resolution under which we are operating that we consider and look into corrupting influences that organized crime, operating in interstate commerce, may have on governing officials or law-enforcement officers.

We acknowledge that in an inquiry of this kind, it is very difficult to do that in that some person's name might not be brought out and to whom some injustices may be done, and it is with that in mind that I have announced at the beginning of any session that if anyone felt that their name had been improperly used or that they had been improperly accused, this committee would be ready and willing to hear them.

Just a while ago the chairman received a telegram—it may have been delivered last night but I just got it a little while ago—in which Mr. Plissner, about whom Mr. Richard testified yesterday, wanted to make some explanation following Sheriff Sullivan's testimony.

We expect to call Mr. Plissner to make any explanation he wishes.

The committee has gone to a great deal of trouble in having a preliminary closed hearing in order to try to ferret out the relevant testimony to our inquiry in which we feel the Senate would be interested, and also the Congress of the United States.

I should call your attention, Mr. Hunt, to the fact that the committee spent two very full days—Senator Hunt and the chairman—going over in executive session a great many conditions that are alleged to exist in Dade County and in this section of Florida, and most of which testimony has not as yet been made public.

At that time the committee undertook to call in Sheriff Sullivan to testify. Sheriff Sullivan was away, I believe, on a fishing trip on the west coast. The subpoena was not served upon him. Sheriff Sullivan afterward wired the committee that he didn't know about the fact that he was wanted or that his testimony was desired, and that he was ready and willing to appear at any time. I think that was the substance of your telegram?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. So that is the situation.

Mr. SULLIVAN. I was informed, Senator, however, that there was no subpoena out for me, and that my office informed the caller, whoever he may have been, that I could be gotten there right shortly if it was so desired.

The CHAIRMAN. I can only report what was reported to me, Sheriff Sullivan.

I know the chairman did ask for your appearance at that time, and that we were informed both at your home, I believe, and at the office that you were not available and they didn't know where to find

you and they couldn't reach you, and wouldn't be able to get you to appear when we were here at that time.

I ordered that a subpoena be issued for you—and frankly I can't say whether it was served or whether or not it was served or what effort was made to serve it. But inquiry was made and we were informed that we could not find you at that time.

Mr. Halley, do you have any comment that you would like to make in reply to Mr. Hunt?

Mr. HALLEY. If the Chair will excuse me from commenting, I prefer not to.

I do think I should state that the law with respect to Senate committee hearings is that they are not restricted to the testimony that would be admissible in a court of law. They are restricted to hearing testimony in hearing which in the good judgment of the committee is fair testimony and apt to bring out the facts and the truth, but they are not bound by the strict rules of hearsay or any of the other strict rules of evidence.

I would further simply like to point out with respect to the law that the testimony to which you referred, even in a court of law, would not be considered hearsay.

Mr. HUNT. I disagree with you, but very respectfully, sir.

The CHAIRMAN. Certainly the cases do not limit a congressional committee to the type of testimony that is required in a court of law.

All right, Mr. Halley, will you proceed to examine Sheriff Sullivan?

Mr. HALLEY. Mr. Chairman, Sheriff Sullivan appears to have with him a number of records and I would like, with the committee's permission, to ask Sheriff Sullivan if he would like to make a statement before he is questioned.

Mr. SULLIVAN. Well, first I have a letter that I would like to read and make a part of this record.

The CHAIRMAN. You may do so.

Mr. SULLIVAN. This is a letter to Senator Kefauver, chairman of the Special Committee To Investigate Organized Crime in Interstate Commerce.

The CHAIRMAN. What is the date of that letter?

Mr. SULLIVAN. July 6, 1950.

Mr. HUNT. This is in answer to your last letter.

The CHAIRMAN. I think prior to the reading of this letter, the letter that the chairman of the committee wrote Mr. Sullivan will be included in the record.

(The letter referred to, dated June 26, 1950, is herewith incorporated:)

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,

June 26, 1950.

Sheriff JIMMY SULLIVAN,
Dade County, Fla.

DEAR SHERIFF SULLIVAN: The United States Senate has designated this special committee to investigate organized crime in interstate commerce. To accomplish its objectives, the committee proposes to obtain as much information as possible concerning the operations of organized criminals and racketeers in every portion of the country. It is hoped that by compiling this information and cross referencing it, the committee can discover leads which might not be obtained in investigations confined to particular areas alone.

For this reason, the committee is writing to a number of prominent persons throughout the United States for the purpose of ascertaining their views on the activities of organized criminals in their areas. The committee is particularly interested in activities in which interstate communication facilities are used, or in which an investment is made in either legitimate or illegitimate enterprises of moneys illegally obtained in other areas, or in which some evidence of interstate activity can be found. In addition, we are, of course, interested in violations of narcotics, counterfeiting, and other Federal laws. Where there is evidence such criminals are protected with the connivance of law-enforcement officers or other public officials, the committee will welcome your advice.

The committee would very much appreciate receiving from you, in such detail as you see fit, a statement of conditions as you have observed them relating to the above matters. This statement will serve as a background for further inquiries and for investigations or hearings. Any information furnished will be kept confidential if you so desire.

We know that this request will impose upon both your time and energies, but we are assured that the subject matter is one in connection with which we have your full interest and cooperation. This committee realizes that the task before it is of such great size that it can be accomplished only through the joint efforts and with the help of all those who are interested in stamping out organized crime throughout the Nation.

Sincerely,

ESTES KEFAUVER, *Chairman.*

Mr. SULLIVAN (reading):

HON. ESTES KEFAUVER,

Chairman, Special Committee To Investigate Organized Crime in Interstate Commerce, United States Senate, Washington, D. C.

HONORABLE SIR: I beg to acknowledge receipt of your letter of June 26. Your first inquiry is addressed to activities of organized criminals in which interstate communication facilities are used, or in which an investment is made in the area of moneys illegally obtained in other areas, or in which some evidence of interstate activity can be found.

The only interstate communication facilities used by persons engaged in race-track booking activities which have come to our attention are the wire services which already claimed the attention of your committee, and which have on several occasions litigated their contentions in circuit courts and supreme court of this State.

As to investments in this community of moneys, illegally obtained in other areas, this office has no information. From time to time a local law-enforcement league, and current, a crime commission have charged that one or more of the Miami Beach Hotel properties are owned by persons from other States who formerly were engaged in illegal enterprises or associations, but whether evidence exists to support these charges is a matter of which this office has no knowledge, since no citizen of the county, crime commission, or otherwise has ever presented my office with evidence, affidavit, or supported charge in this direction. It has been my experience that the accusations and charges of the so-called crime commission have consistently been broadcast over local radio stations and published in local newspapers in sensational fashion, rather than being placed before any warrant-issuing officer or body, such as the county grand jury, the State attorney, the county solicitor, any judge of the circuit court, the judge of the criminal court of record, the county judge, or any of the justices of the peace. My office has many times publicly solicited evidence upon which to ground criminal charges against any of the persons mentioned in these radio broadcasts and newspaper articles, but we have yet to interview the first citizen, or to receive the first affidavit in connection therewith.

My office is not apprised of violation of narcotics, counterfeiting, and other Federal laws which fall within the province of Federal law enforcement agencies, except that we give full cooperation to the investigation and apprehension activities of the Federal authorities, and when our officers detect such offenses or offenders, the proper Federal authorities are immediately notified and prompt action taken.

It has never come to my attention that law enforcement officers of this county are in connivance with any class of criminal or racketeer.

You invite my views relating to conditions in this county touching upon the subject matter of your letter, which are herewith presented, viz:

(a) It is my definite opinion that this county has been unjustly scandalized and maliciously slandered by the local crime commission and the two daily news-

papers of Miami in their sensational newspaper-selling charges of the existence of a criminal and racketeer situation in Dade County which does not exist in point of fact. Being a resort community, with hundreds of thousands of tourists visiting us each year, any reasonable-minded person would know that some of the undesirables of the Nation will be among the desirables who visit us, but it does not at all follow, as seems to be the theme song of the newspapers and their crime commission, that the entire county is bad, or that the people of this county are bad, merely because of the presence within our borders of a handful of these undesirables. Naturally, their coming here is to be, and has been, discouraged by my office through use of legal processes, wherever same could be applied in a legal manner; however, the complaints of my critics seem to be that I have been unwilling to breach my \$25,000 fidelity bond and my oath of office by adoption of illegal methods in the handling of this problem. We have never refused or delayed, and shall never refuse or delay, to effect an arrest or execute a warrant for anyone where the proper initiating affidavit is made out and the warrant delivered to my office for service; and as above indicated, I have publicly solicited information and evidence, and have offered the full cooperation of my office to the end of eliminating the undesirable element from this county.

(b) Approximately \$200,000,000 per year is gambled in this county through legalized pari-mutuel machines at the horse and dog tracks, which are operated by the State of Florida in conjunction with the track owners. This condition seems to surcharge the atmosphere with the spirit of betting, and to incline public opinion considerably in favor of the placing of bets on horse and dog races and therefore reacts against a strict enforcement of the State gambling laws relating thereto. This situation renders the task of my office in enforcing the gambling laws, particularly against bookmaking, an extremely difficult one, as we have little, if any, cooperation from the public in the furnishing of evidence or filing of complaints against the operators of this particular class of illegal activity. The question is often asked as to why it is sinful and against the law to bet \$10 on Mollie-O in the fifth race outside the wooden fence of a race track when the person placing the bet can bet the same amount on the same horse and in the same race within the confines of the track, and still be a good citizen. However, I realize these considerations are for others and not for the sheriff of a county, since it is his duty to enforce the law as he finds it upon the statute books. This I have consistently done to the very best of my ability.

For your information, in the year 1948 my office handled 279 gambling cases, or an average of 23½ cases per month. In the year 1949, my office handled 574 gambling cases, or an average of 47½ cases per month. With the recent addition of several men in my criminal department, we are making an all-out effort to stamp out this and other classes of gambling in Dade County; and in this regard, my office receives the fullest assistance and cooperation of the governor, the State racing commission, the State beverage department, and other State, county, and municipal enforcement officers.

I was of the opinion in 1944, when I first became sheriff of this county, and am still of the opinion, that the only real solution to the local gambling problem lies in the adoption of a modified form of legalized gambling where all betting, not only on the race tracks but off the race tracks, would be permitted under strict State supervision with the State collecting the revenue for the benefit of the taxpayers and public institutions of the county. Through such means, I believe that gambling racketeers would be promptly put out of business, necessary street improvement, sewerage installations, public schools, and other buildings could be provided, parks could be beautified, and the public welfare better served generally, without a dime's additional tax expense to the taxpayers of the county. I realize that a large number of persons in the county stand in opposition to such a plan, but it is my belief that if the same were submitted to a referendum selection of taxpayers and citizens of Dade County, the oppositionists would find themselves in the minority at the voting booths.

Notwithstanding the personal views above expressed, as sheriff of Dade County, I have been, and will continue to be ever mindful of my official duty as regards gamblers and other types of lawbreakers, and will vigilantly enforce the gambling laws, as well as other laws pertaining to criminal violations as and when the same occur and my office is able to detect and apprehend the offender.

You are at liberty to handle this letter on a confidential basis, or otherwise, in your own discretion.

Very truly yours,

JIMMY SULLIVAN,
Sheriff, Dade County, Fla.

Mr. HALLEY. Is there any further statement you want to make?

Mr. SULLIVAN. Mr. Halley, I have some records of our office that I would like to present to this committee.

However, along the same facts that I am speaking of here, the letter that I just finished reading, I would like to present the winter term grand jury report of 1948, the articles that are marked on page 5.

The CHAIRMAN. The report will be made exhibit No. 127. (Appendix, pp. 755-759.) You can read any part of it you want to.

Mr. SULLIVAN. It is short. I will read it.

The CHAIRMAN. All right.

Mr. SULLIVAN (reading):

It has long been a known fact that law-making bodies cannot successfully legislate morals. The best example of this statement was the late lamented Prohibition Act. Impossibility of enforcement led to a general breakdown in all law enforcement. We are faced today with the same situation on the question of gambling. This grand jury has pondered the question thoroughly and deeply; it has gone through every phase of gambling activities, from bookmaking to mobster infiltration. The consensus of opinion of the grand jurors has boiled down to the fact that inasmuch as we find general laxity in the enforcement of the gambling laws, and that inasmuch as pari-mutuel betting has been legalized by the State, and that furthermore if all who desire to bet were compelled to attend the various pari-mutuel establishments they could not be accommodated we believe that a solution would be to legalize bookmaking where bets may be made and coursed through whatever pari-mutuel establishment was operating at the time, thereby gaining for the State the revenue that it now loses through sneak bookmaking.

Such legalized bookmaking stations should be licensed and controlled by the State, county, or municipal governments, whichever the legislators, in their judgment, may deem best. Policing of such a set-up should be put into the hands of the State racing commission, and the funds of such policing should be derived from the revenue received by the State racing commission.

Now, I would like to read some notations here that were received by me, such as correspondence under date of February 4, 1947.

The CHAIRMAN. You can file all of this as part of the record and read whatever you want to, if you wish.

(Correspondence referred to was read into record. See below.)

Mr. SULLIVAN. This is from the attorney general of the State of Florida.

The CHAIRMAN. Who was the attorney general at that time?

Mr. SULLIVAN. Tom Watson.

In leading up to this letter from the attorney general of the State of Florida I would like to read here just one of the many articles that came into my office through sneaks and through the back door and in many other ways. It is not open and aboveboard, and was not done in a helpful manner or in a manner to help our office or to help our county; just plain politics. Here is the copy:

JANUARY 22, 1947.

Mr. JAMES SULLIVAN,
Sheriff of Dade County, Fla., Miami, Fla.

DEAR SIR: As you must already know, extensive, open, illegal gambling is now being conducted at the Sunny Isles Casino, Dade County, Fla.

The Law Enforcement League of Dade County demands that you do your duty and stop this notorious violation of law.

As citizens of Dade County, we will not be satisfied with token raids or other ineffectual actions on the part of your office. You have adequate means at your command to enforce the law, as outlined in section 144.02 of the Florida Statutes, and we demand that this be done immediately.

Moreover, we extend to you all the facilities of our organization and agree to furnish all additional deputies needed for this purpose.

Sincerely,

GEORGE LIGHT,

Secretary, Law Enforcement League of Dade County, Fla.

There was a copy of this sent to the grand jury, which was in operation, and to the Miami Herald and Miami Daily News. All for no good purpose.

The CHAIRMAN. What is the date of that letter, did you say?

Mr. SULLIVAN. The date of that letter was January 22, 1947.

I have a letter here to the Law Enforcement League of January 27, 1947:

LAW ENFORCEMENT LEAGUE,

Miami, Fla.

GENTLEMEN: I acknowledge receipt of your letter of the twenty-fourth instant, copies of which you delivered to the local press.

Deputies have visited and checked operations at the place of business mentioned in your letter and found no law violations. You may have defeated your professed purpose by your haste for publicity.

Since the first week of my administration as sheriff, certain individuals and organizations have beset and harassed this office in the public press for the purpose of embarrassing and intimidating me in the performance of my official duties. Time after time I have solicited the complaining and allegedly informed person to persons to subscribe to the affidavit for search warrant prescribed in chapters 933.04, 933.05, and 933.06, Florida Statutes Annotated, but to date no one has been willing to do more than write a letter for newspaper purposes or send in anonymous telephone calls. The sections of law to which I refer are as follows:

"933.04 AFFIDAVITS.—The right of the people to be secure in their persons, houses, papers and effects against unreasonable seizures and searches shall not be violated and no search warrant shall be issued except upon probable cause, supported by oath or affirmation particularly describing the place to be searched and the person and thing to be seized."

"933.05 ISSUANCE IN BLANK PROHIBITED.—A search warrant cannot be issued except upon probable cause, supported by affidavit or affidavits, naming or describing the person, place or thing to be searched and particularly describing the property or thing to be seized; no such warrant shall be issued in blank and any such warrant shall be returned within 10 days after issuance thereof."

"933.06 SWORN APPLICATION REQUIRED BEFORE ISSUANCE.—The judge or magistrate must, before issuing the warrant, have the application of some person for said warrant duly sworn to and subscribed, and may receive further testimony from witnesses or supporting affidavits, or depositions in writing, to support the application. The affidavit and further proof, if same be had or required, must set forth the facts tending to establish the grounds of the application or probable cause for believing that they exist."

Chapters 901.01 and 901.02, Florida Statutes Annotated, provide:

"901.01 JUDICIAL OFFICERS TO BE COMMITTING MAGISTRATES.—All judicial officers of this State shall be conservators of the peace and committing magistrates, and may issue warrants against persons charged on oath with violating the criminal laws of the State, and may commit offenders to jail or recognize them to appear before the proper court at the next ensuing term thereof to answer the charge, or may discharge them from custody, according to the circumstances of the case and may require sureties of the peace when the same has been violated or threatened. When a complaint is made to a magistrate that an offense has been committed within his jurisdiction, he shall examine on oath the complainant and any witnesses he may produce.

"901.02 WHEN WARRANT OF ARREST TO BE ISSUED.—A warrant may be issued, for the arrest of the person complained against if the magistrate, from the examination of the complainant and the other witnesses, if any, has reasonable ground to believe that any offense was committed within his jurisdiction and that the person against whom the complaint was made committed it; provided, however, that a warrant may be issued by said magistrates for the arrest of the person complained against, upon presentation to him of affidavits sworn to by the complaining witness or witnesses before the prosecuting attorney, pro-

vided such prosecuting attorney is authorized to administer oaths as a notary public or otherwise."

Chapter 30.15, Florida Statutes Annotated, requires this office to execute process of the supreme court, circuit court, county court, criminal court of record and justice of the peace courts. By other statutes, we are required to execute process of the civil court of record, the county judge's court, the court of crimes and the juvenile court.

Chapter 30.19, Florida Statutes Annotated, prescribes a penalty for failure to execute any writ or other process, civil or criminal, legally issued and directed. Chapter 144.01 authorizes the arrest, without warrant of any person who is in the disturbance of the peace.

Chapter 901.15 provides for arrest without warrant by a peace officer when a felony or misdemeanor has been committed in his presence, or, in the case of felony only, when a felony has been committed and the officer has good reason to believe the person to be arrested committed it. This chapter also requires arrest upon warrant duly issued.

Article 5, section 15, of the Florida Constitution, states that the duties of a sheriff "shall be prescribed by law."

I have undertaken to apprise you of some of the statutes which touch upon the matter mentioned in your letter and the duties of this office in order that you may understand why phone calls, anonymous notes, and high-pressure letters written for newspaper spread cannot be accepted by this office as furnishing legal basis for a raid or arrest. Although I am sure your organization has the purest of motives, you must realize that the powers of this office are quite often sought for purposes of spite, blackmail, and other ulterior motives, and the people are entitled to the protection against false arrest and unlawful search that the law intends and contemplates by requiring the complaining and allegedly informed person to execute an affidavit, except in the cases which I have mentioned.

Any evidence or information of a law violation which you possess and desire to furnish in sworn form should be furnished to the county solicitor, the grand jury, the county judge, the justice of the peace, or to any circuit judge.

If and when I receive a warrant or capias from any of these judicial officers, I shall execute it efficiently and expeditiously.

Furthermore, I shall continue to detect and arrest crime in this county to the best of my ability and within lawful bounds wherever it is found. This means, in the case of gambling, that my deputies will arrest without warrant and prefer charges in every instance where they are able to elude watchers and spotters and gain entry peaceably and without force and personally witness the acts you say are being committed.

That was the letter that I sent to the law enforcement league, and here is the letter that I sent to our attorney general, Tom Watson, also on January 27, enclosing the letter which I have just read pertaining to the laws of the State of Florida on the arrests, warrants, searches and seizures:

HON. TOM WATSON,
Attorney General, Tallahassee, Fla.

DEAR SIR: I enclose copy of letter received by me on the twenty-fourth instant from an organization called the law enforcement league, together with my reply of the twenty-seventh instant.

I would appreciate your advising me as to whether, in my reply, I have correctly stated and interpreted my official duties in the matter and if not, wherein I am in error.

Thanking you for this service, I am
Yours very truly.

This is the letter from the attorney general addressed to me on February 4, 1947.

HON. JIMMY SULLIVAN,
Sheriff of Dade County, Court House, Miami, Fla.

DEAR MR. SULLIVAN: This will acknowledge receipt of your letter of January 27, last, as well as the enclosed copy of letter addressed to the law enforcement league under date of January 27, also.

Please be advised that your reply to a letter from said league is entirely satisfactory and appropriate.

Sincerely yours,

J. TOM WATSON, *Attorney General.*

The CHAIRMAN. Let this correspondence be filed as exhibit No. 128.

Mr. SULLIVAN. I have here the opinion from the supreme court of the January term, dated January 17, 1950, which the opinion was filed, and which I took up with my attorney for a breakdown of the opinion as to my duties and what I should do in this protection of my office, with search warrants, with the issuance of search warrants. It reads (reading):

Re: Search warrants.

JIMMY SULLIVAN,

Sheriff, Court House, Miami, Fla.

DEAR SHERIFF: We call your attention to an opinion of the Supreme Court of Florida filed January 17, 1950, which imposes considerably more of a burden upon peace officers in the obtaining of a valid search warrant under Florida law.

In the future, the person applying for the warrant must himself be able to particularly describe the place to be searched, the things to be searched for, and the person or persons to be arrested, or if he has gained his information as a result of another person's investigation, he must state particularly, in the words of the court, "how the affiant came by the intelligence" and if through someone else, the other person's name must be disclosed together with such further information as "would be competent in the trial of the offense before a jury and would lead a man of prudence and caution to believe that the offense has been committed."

Note the concluding language of the court which states that: "We are not unaware that guilty persons may go free where convincing evidence against them is held inadmissible because obtained by defective search warrants. But our paramount concern is for the guaranty in the organic law against unreasonable searches. We have spoken on this subject, too, in *Cooper v. State*, supra, where we approved Judge Cooley's comment that 'It is oftentimes better that crimes should go unpunished than that citizens should be liable to have their premises invaded.'"

In view of the above, a peace officer will no longer be able to make a proper affidavit or search warrant upon the basis of information furnished by another without fully revealing the identity of the other person, the manner by which he gained his knowledge, and all other facts pertinent to or bearing upon the other person's investigation and his entire connection with the matter. This means that information furnished by undercover operators or citizens who do not wish to have their identity disclosed no longer can be used without publicly recording all names and other factors involved.

A copy of the supreme court opinion referred to is hereto attached.

Very truly yours,

The CHAIRMAN. Who is that letter from?

Mr. SULLIVAN. That is from Mr. Hunt here. This is the letter, and that is the opinion of the Supreme Court of the State of Florida [indicating].

The CHAIRMAN. Is Mr. Hunt the county attorney or is he your personal attorney?

Mr. SULLIVAN. Mr. Hunt is my attorney for the office, the sheriff's office.

The CHAIRMAN. Is that a county position, or did you just employ him? In other words, who pays him?

Mr. SULLIVAN. He is paid out of the fees from the sheriff's office.

The CHAIRMAN. Let this letter and the opinion be filed as exhibit No. 129.

(The opinion referred to appears in the appendix on p. 759.)

The CHAIRMAN. Is this position of attorney for the sheriff's office a legally constituted office?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Do you mean that it is set up by statute?

Mr. SULLIVAN. Yes, sir; it is. You see, we have so much civil litigation in our office that daily we have to refer to our attorneys.

The CHAIRMAN. Well, you have county solicitors; don't you?

Mr. SULLIVAN. We have county solicitors, but they don't advise us on these things.

The CHAIRMAN. Would they advise you on these things if you asked them to?

Mr. SULLIVAN. I have talked with them, but they tell me to get together with my attorney.

The CHAIRMAN. And the sheriff here has always had an attorney for his office, separate from any others?

Mr. SULLIVAN. Yes, sir. I believe they all have attorneys.

The CHAIRMAN. What does that position pay? Do you know what it pays?

Mr. SULLIVAN. It's either \$300 or \$350 a month.

The CHAIRMAN. That is customary in Florida for the sheriff to have an attorney for his office to advise him about matters?

Mr. SULLIVAN. Yes; it is, because we have so much litigation that the duly elected and appointed attorneys don't have time to handle.

The CHAIRMAN. Does the sheriff select the attorney for the sheriff's office?

Mr. SULLIVAN. Yes; he does.

The CHAIRMAN. Mr. Hunt has been your attorney ever since you have been sheriff?

Mr. SULLIVAN. No; he hasn't.

The CHAIRMAN. Whom did you have before?

Mr. SULLIVAN. I had a Mr. Hollis Rinehart.

The CHAIRMAN. Did the sheriff before you have an attorney for the sheriff's office?

Mr. SULLIVAN. Yes; he did.

The CHAIRMAN. All right, sir; you go ahead. I simply wanted to clear that up.

Mr. SULLIVAN. Senator, I would like to show here what we do in our office with the few men that I have.

The CHAIRMAN. Well, you have quite a long document here.

Mr. SULLIVAN. That is true, but there is some of the substance in there that I would like to bring out.

The CHAIRMAN. You may file the document as exhibit No. 130, and you can make any explanation you want, Mr. Sullivan, or bring out any particular point you wish.

(Statistics for sheriff's office, Dade County, Fla., 1945 through 1949, appear in the appendix on pp. 760-765, as exhibit No. 130.)

Mr. SULLIVAN. Thank you. I am going to start with the past full year of 1949. In the year of 1949 our office handled 8,301 prisoners. Fines and forfeitures for that year were \$131,942.56. We had convictions of 5,777.

Prisoners sent to the State penitentiary were 277. Warrants and capias served were 4,693. Homicide investigations were as follows: Murder, 73; fatal accidents, 53; rape, 70; suicide, 63; drowning, 24; and natural deaths, 158.

We want to bring out the number of persons fingerprinted and photographed, listed according to crime committed:

Gambling, 44; operating a gambling house, 494; lottery, 19; illegal possession of punchboards, 10; murder, 32—there is something wrong there; this is not right—manslaughter, 23; rape, 20.

The number of arrests for illegal possession of slot machines is 7, and the number of machines seized is 20.

That was in the year of 1949.

And here are the statistics for the month of February 1, 1950, through March 15, 1950. That is 45 days; and I would like to present this along with our other information. I have much more here. I have each month in detail, of what our office does with gambling and the operating of gambling places.

This is for January 1950: Operating of gambling houses, 31—this is for persons fingerprinted and photographed, listed according to crime committed—lottery, 12; gambling, 12; and that is for the month of January.

The CHAIRMAN. The committee will be glad to receive these as exhibit Nos. 131 and 132.

(Statistics for sheriff's office, February 1–March 15, 1950, were marked "Exhibit No. 131," and appear in the appendix on p. 765. Report on activities of sheriff's office for January 1950, dated February 6, 1950, was marked "Exhibit No. 132" and appears in the appendix on p. 766.)

The CHAIRMAN. Senator Hunt has a question he wishes to ask.

Senator HUNT. Sheriff, you mentioned two figures—7 and 20—with reference to slot machines. What was the 7 figure?

Mr. SULLIVAN. That was the number of persons arrested; and the 20 was the number of slot machines seized. Just a minute—

Senator HUNT. Well, that answers my question sufficiently.

Mr. SULLIVAN. The number of arrests made for illegal possession of slot machines was 7. The number of slot machines seized was 20.

Senator HUNT. Now, Sheriff, do you know how many permits, \$100 Federal permits, were paid here in the county in 1948 on slot machines?

Mr. SULLIVAN. Senator Hunt, I wouldn't know that, for this reason: We take every slot machine that we can find in our county.

Senator HUNT. It would, however, run up into the thousands, would it not?

Mr. SULLIVAN. Perhaps it would; but the machines have not been in Dade County—I mean, operating in Dade County.

Senator HUNT. Would you mind giving us the breakdown on the 277 that were sentenced to the penitentiary, if you have it? If you don't have it, it is not too material.

Mr. SULLIVAN. Well, I don't have any breakdown with the exception of the time that they all served. That is all I could give you on that.

Senator HUNT. Could you tell me if any of them were bookies?

Mr. SULLIVAN. I can't tell you definitely, but I don't believe that any of them were.

Senator HUNT. That is all I have to ask, Mr. Chairman.

Mr. SULLIVAN. Now, just for comparison, we go along to the year of 1948, and here are the statistics of this office:

Prisoners handled were 8,903; fines and forfeitures, \$105,101.88. It goes on through the subpenas which were served: 14,137. The warrants and capiases served were 4,587. The total homicide investigations were 355.

Now, these homicide investigations are: Murder, 55; fatal accidents, 36; rape, 68; suicide, 51; drowning, 40; natural deaths, 105. In these investigations, if there is any peculiar circumstance surrounding any death that we find in Dade County, wherever it happens to be, our office or a deputy sheriff, or one of our special deputy sheriffs, makes investigations of these homicides that occur in Dade County.

Assaults with deadly weapons, attempted rape were 361; burglary, robbery, and miscellaneous investigations were 1,361; which made a total of investigations of 2,077.

Prisoners fingerprinted were 2,760.

Senator, why I like to bring this out here is that it has been openly rumored and stated that this office, my office, does nothing whatsoever. This is perhaps the first time that the people of our county have had a chance to find out what the sheriff's department does in Dade County. If we have convictions, you read about them maybe on the back page or maybe in the inside or the middle of the paper. Most of the time what we get in the paper is absolute ridicule.

It hasn't been 10 days since the papers have been sort of putting me on the back page; but, up until that time, anytime me or my office, or anyone having anything to do with me, was mentioned in the newspapers he was mentioned in a berating manner or cast off in some way. And when you have 6 years of this, continuously—these papers did everything possible that they could do in the last election, by lies and everything else, in trying to defeat me, with their two powerful radio stations and in every publication that came out. They even at one time refused to put an ad in the paper for me.

It has been a one-sided fight throughout. They have generated these law-enforcement leagues; they have made our county look awful. They have scandalized us throughout the whole United States. That is, our two papers. And I don't have to tell anybody about that. Any of you people who live all over the United States can pick up one of these papers and say, "Better be careful going to Dade County. They'll cut your head off; jerk you in some dark alley and cut your head off." It started 10 days after I took office, and it has been with me ever since.

The people here in Dade County are well aware of the fact that I was elected the last time with a big majority.

The CHAIRMAN. By how much?

Mr. SULLIVAN. I believe it was 17,000. There were more votes cast in the sheriff's race in Dade County than in any other race; more votes than in any other race. That was in the actual election.

The CHAIRMAN. Were these 2-year terms that you were elected for?

Mr. SULLIVAN. Four-year terms. I was elected the first time in 1944, after trying to join each branch of our United States service while I was still a police officer in downtown Miami. Then, when I failed to get into the service, well, I thought that I could be elected sheriff of Dade County, and I ran for this office, and the people elected me.

In the year of 1948 the number of arrests for illegal possession of slot machines was 6; the number of slot machines seized was 10.

The CHAIRMAN. What year was that?

Mr. SULLIVAN. That was the year of 1948.

The CHAIRMAN. How many slot machines were seized?

Mr. SULLIVAN. Ten. We had at that time eight cases of gambling. We don't charge people with gambling, because they get off with a fine of \$10 to \$25, or something like that. We charge them with operating a gambling house. If the horses are not here, I believe the fine is either \$200 or \$250. When the horses are running in Dade County, the fine is \$500. We had 269 cases of operating gambling houses; illegal possession of punchboards, 2; murders, 7; manslaughter, 15; rape, 15.

The CHAIRMAN. The committee will study these reports that you have prepared, Sheriff Sullivan, and they will be made exhibits to your testimony.

Mr. SULLIVAN. I might also say in here, Senator, that this office, in my first 4 years of being sheriff, earned \$235,000 in excess fees for our county. That was earned and turned back to the operating expenses of our county, turned back to our taxpayers.

Previous to my taking office, the most that was earned was \$58,000 in 4 years.

The CHAIRMAN. You are not on a fee basis. You are on a salary basis; are you not?

Mr. SULLIVAN. My office is strictly on a fee basis. I make a budget, and I can operate up to that budget, providing I make enough money to pay with, which I have always done, and my budget today is pretty big.

We have, I believe, 105 in our sheriff's department, and I believe 13 or 14 of those men are deputy sheriffs who have school assignments only. They are older men. They work in our county schools in the unincorporated areas.

We have 33 of our men working on our road patrols, and the rest of them are deputy sheriffs, of which we have 23 that are in the civil department, which serves all of the civil processes of our county.

We have 11 of them that work up at the desk and in the jail as jailers. We just lost a couple of prisoners, but they broke out of a rusty part of our section of the jail.

The CHAIRMAN. Is your salary fixed by law, or just how is it fixed?

Mr. SULLIVAN. Senator, the salary is fixed by law.

The CHAIRMAN. What is your salary?

Mr. SULLIVAN. Well, now it's \$12,000.

The CHAIRMAN. When did it get to be \$12,000?

Mr. SULLIVAN. At the last legislature. That was 2 years ago.

The CHAIRMAN. So, your salary during 1949 was \$12,000?

Mr. SULLIVAN. Yes.

The CHAIRMAN. And your current salary is at the rate of \$12,000 a year?

Mr. SULLIVAN. It is now.

The CHAIRMAN. Before then it was how much?

Mr. SULLIVAN. \$10,000.

The CHAIRMAN. In addition to that do you get any fees out of the sheriff's office?

Mr. SULLIVAN. I make a correction on the salary there. You asked me "before then." Before then it was \$7,500. When I went in the office my salary was \$7,500 yearly.

The CHAIRMAN. During what years was it \$7,500?

Mr. SULLIVAN. It was '45, '46; I believe a part of '47, maybe the first 2 or 3 or maybe 4 months of '47.

The CHAIRMAN. Then the remaining part of '47 and all of '48 it was \$10,000?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. And in '49 and this part of '50 it is \$12,000?

Mr. SULLIVAN. That's right.

The CHAIRMAN. How about your deputies; who fixes their salaries?

Mr. SULLIVAN. I fix their salaries.

The CHAIRMAN. They don't participate in any fees above their salary?

Mr. SULLIVAN. No, they don't. And regardless of how much I earn I still get what is prescribed by law as my salary.

The CHAIRMAN. Whether you earn it or not?

Mr. SULLIVAN. Yes, sir—No, no, no; if you don't earn it you don't get it.

The CHAIRMAN. You mean, if your fees don't make up that much?

Mr. SULLIVAN. If you want to put it that way. If your fees don't make it we don't get it. If we don't have it in the office we don't get the money. I don't know just what will happen. We will just have to cut down, that's all.

The CHAIRMAN. But you have always gotten your full salary because you have always had a surplus?

Mr. SULLIVAN. Yes. I have always turned in considerable money to our county. We have complete records of that in the office.

The CHAIRMAN. Now, let us get all of your records in here, Sheriff Sullivan. We don't want to hurry you, but as you know, we have many witnesses to hear.

Mr. SULLIVAN. I would like to make a little clarification on some of these things, which I attempted to do a while ago on the homicide investigations that we have. I don't know whether it was thoroughly understood or not that in all of the deaths that we have in our county if there is anything, any surrounding circumstances at all, they are investigated by our homicide department; and even, at times, some natural deaths are investigated.

I have two previous records of my predecessors here.

Senator HUNT. Mr. Chairman, can't those just be taken into the record? I don't know that we need to discuss the records of his predecessors in office.

The CHAIRMAN. We will have them. The point that you want to make is that what you have done compares favorably?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. All right, sir; they will be filed as exhibits to your testimony. (Statistics for sheriff's office, 1944 and 1943, were marked "Exhibit No. 133," and appear in the appendix on p. 768.)

Mr. SULLIVAN. Here is a photograph of some of the men that took part in a raid that I believe they spoke of yesterday [handing document to chairman]. Those are some of the men that were there in the raid that took place yesterday.

It took place up in back—I don't know what the name of the hotel was. It's an old hotel, back of the Army and Navy Club at One Hun-

dred and Twenty-first Street, west of the boulevard, about a distance of three blocks.

The CHAIRMAN. This picture which you have handed me is a picture, apparently, of a racehorse wire set-up.

Mr. SULLIVAN. Yes, it is.

The CHAIRMAN. For the transmission of racing information?

Mr. SULLIVAN. Yes, sir. There was eight trunk lines coming into this, serving there from downstairs.

The CHAIRMAN. Who are the people in this picture, Sheriff Sullivan?

Mr. SULLIVAN. This one here [indicating] is Mr. Toni, who was here yesterday.

The CHAIRMAN. We remember Mr. Toni.

Mr. SULLIVAN. And this is Mr.—

The CHAIRMAN. Gasque?

Mr. SULLIVAN. Yes. Buddy Gasque. And this is one of my men, George Patton; and this is also one of my men, Red Hughes.

The CHAIRMAN. Let that be filed as an exhibit. (Photograph referred to was marked "Exhibit No. 134" and is on file with the committee.) Did you have something further you wanted to say about it?

Mr. SULLIVAN. Well, I thought it might possibly clear up some matters there, which we have many of these types of raids in our county; which we have had many of them. For the record here are some of our raids in 1950. This was submitted to me by my chief criminal deputy, Claude High, who is the criminal investigator.

The CHAIRMAN. Will you describe it, Sheriff Sullivan?

Mr. SULLIVAN. Yes, sir. These are the raids we made in different places in our county, and the telephones and the wire service equipment that were received, that we took into possession.

On March 5, 1949, the Arlington Hotel, 455 Ocean Drive, Miami Beach: We got six telephones and wire service equipment.

The CHAIRMAN. Is that for this year or last year?

Mr. SULLIVAN. This is the last part of last year and—I'll read what it says here:

The following is a partial listing of places that have been raided by this department where three or more phones have been confiscated. This also includes other apparatus used in bookmaking establishments.

The CHAIRMAN. All right. The committee will be glad to have this as an exhibit to your testimony. (Memorandum dated July 12, 1950, listing places raided by sheriff's office, Dade County, was marked "Exhibit No. 135," and appears in the appendix on p. 769.)

Mr. SULLIVAN. Would you like to hear about the phones and what-not that we have confiscated?

The CHAIRMAN. Tell us anything you want to tell us about it.

Mr. SULLIVAN. All right. We have six telephones and wire service equipment from the Arlington Hotel. We have five phones that were taken up in North Miami, where an arrest was made. I believe the man was Louis Kaufman. We have seven telephones from the Aviation Building, Northwest Twenty-seventh Avenue and Thirty-third Street. From 6505 Northwest Eighteenth Avenue, 6 telephones (used), 15 telephones (new, in boxes), 1 Army field telephone set, and 2 head sets were taken. At 139 Lindsay Court, Hialeah, Fla., eight telephones and radio equipment were taken.

On January 4, 1950, at 2194 South Red Road, three telephones and equipment; January 13, 1950, 2360 Northwest Eighty-first Street we had five telephones and equipment; from 207 West Flagler, January 19, 1950, four telephones and equipment; 2180 Northwest Seventh Avenue, four telephones and equipment.

Now, these are on the beach at the different hotels.

At the Versailles Hotel there were three telephones. At the Clay Hotel there were three telephones. At the Good Hotel there were three telephones. At the Sea Isle Hotel, three telephones; the Monte Carlo Hotel, three telephones; the Martinique Hotel, four telephones, and the Delmonico Hotel, three telephones.

At the Tower Radio Shop—that was April 6, 1950—at 718 Southwest Fifteenth Avenue, five telephones and equipment; Suburban Club Apartments, 1539 Northeast One Hundred and Twenty-first Street—that is the information I gave you there [pointing to group of exhibits]. From the Suburban Club Apartments, one six positions (12-line rotary) switchboard with 20 extra phones confiscated, and other equipment.

April 14, 1950, at Greentree Hotel, 110 Northeast Second Avenue, six phones and other equipment.

At the Betsy Ross Hotel, April 25, 1950, at 1044 Ocean Drive, Miami Beach, three telephones; and at 210 Twenty-first Street, three telephones. The total phones confiscated for that period were 137.

The CHAIRMAN. Let me see that, Sheriff Sullivan. That is dated July 12, 1950. This apparently covers a period beginning March 1949. As to these telephones, do you mean that they are just telephones that you raided and took out?

Mr. SULLIVAN. They are horsebooks. Arrests were made at each one of those places. I can't tell you offhand how many arrests were made, but the records are in my books, the daily arrest sheets.

The CHAIRMAN. Do any of these descriptions fit the Roney Plaza?

Mr. SULLIVAN. No, they don't.

The CHAIRMAN. You know that Mr. Erickson has had quite an operation there for some time, do you not?

Mr. SULLIVAN. Yes. I have heard the testimony.

The CHAIRMAN. You have known that for some time, have you not?

Mr. SULLIVAN. No, I haven't.

The CHAIRMAN. Hasn't it been common knowledge for some time?

Mr. SULLIVAN. There was an arrest; I believe that may have been in '47, '48. I'm not sure. I couldn't say positively, but I believe that there was an arrest for horsebooking in the Roney Plaza Hotel.

The CHAIRMAN. You remember, do you not, Mr. Sullivan, that there were a lot of complaints made about the previous operator there, Mr. Salvey, in the newspapers, and that the operators of the Roney Plaza decided that they had better change operators, and they changed from Mr. Salvey to Mr. Erickson? That has been in the newspapers, hasn't it?

Mr. SULLIVAN. Well, if it has, I haven't read it.

The CHAIRMAN. How about the Boulevard Hotel; do you see any description on here of the Boulevard Hotel?

Mr. SULLIVAN. I didn't mention any just now.

The CHAIRMAN. Is that operated, or was it operated, by Abe Allenberg?

MR. SULLIVAN. Well, Abe Allenberg used to operate it.

THE CHAIRMAN. Well, he had a wire service there, did he not?

MR. SULLIVAN. He what?

THE CHAIRMAN. He had a wire service there. You knew that, didn't you?

MR. SULLIVAN. I can't say, Senator.

THE CHAIRMAN. Well now, you know he was at the Wofford and then he was at the Boulevard and his gang went from one hotel to the other with him?

MR. SULLIVAN. I believe he managed both hotels.

THE CHAIRMAN. What?

MR. SULLIVAN. I believe he managed the Wofford and the Boulevard.

THE CHAIRMAN. He managed the Wofford during the time when Costello and Adonis and all of these people were big operators?

MR. SULLIVAN. It could be. I'm not aware of the fact.

THE CHAIRMAN. You have seen it in the papers, have you not, the pictures of these people in the papers, as guests, and so forth?

MR. SULLIVAN. Yes, sir; from time to time there have been some pictures; yes, sir. But there are all kinds of names which I have, a number of names here, and a number of pictures. And while we are speaking of the undesirable people who came into our community from time to time and who are not committing a crime of some kind or have not been wanted, or are not wanted in some other area or in our area, would you or some other gentleman tell me what we can do about it? Our Government can't arrest them.

THE CHAIRMAN. Why?

MR. SULLIVAN. Because what are they wanted for? If we have got a record on them we can pick them up. If we have a record, regardless of who comes in here, if we have a record and papers for him, we will pick him up. If I find that he is doing something illegal I will pick him up or have one of my men pick him up.

THE CHAIRMAN. Have you read about the conspiracy to violate the gambling laws of the State of Florida?

MR. SULLIVAN. I heard about it.

THE CHAIRMAN. You have your attorney here. He has been your attorney for quite a number of years. Hasn't he advised you about that? He has advised you about certain laws here, matters of search warrants. Has he advised you about the conspiracy to violate the gambling laws of the State of Florida? About all you need are the records of the financial investments of these big boys.

MR. SULLIVAN. Well, those things, Senator, could be. However, if they are in the operation of some form of illegal activity and so that we can find them and arrest them, it will be done.

Now, here we had a picture painted to us yesterday of the wire service, the interstate communications throughout our whole eastern part of our United States, possibly in every State; but here was this picture here, and there have been hours and untold days of obtaining this information.

Now, that information was taken yesterday under oath, but why wouldn't it be so much better if that was taken under oath publicly, before you here, and the people of the United States to come down here and prescribe to some oath in our local government and let us take care of those people if they know that they are guilty of some crime?

The CHAIRMAN. Well, I suppose the people of the crime commission have been here ready to give you any information that they can give you.

Mr. SULLIVAN. Well, you suppose that, and I don't suppose that they have. These people, Senator, have been here ready to make headlines in the newspapers any way and any time that they can; anything to sell a sheet of paper.

The CHAIRMAN. Have you called on them for cooperation?

Mr. SULLIVAN. Yes, sir. What do I get? "You are the law-enforcement officer; we're not. We are going to scandalize you and our property owners and taxpayers of our county. We're not going to give you nothing. We're going to run to the Miami Herald and the Miami Daily News with it." And you will find that I am not alone in saying that. The people, the whole group of people sitting in the back of us, who know Dade County, will also tell you that. Sure, I'm for law enforcement.

The CHAIRMAN. This might be a very good place, Mr. Sullivan, to read into the record a letter. Did you receive the original of this letter? I believe this is your signature and this is the return receipt [indicating and handing same to Sheriff Sullivan]. Just say whether you received it or not.

Mr. SULLIVAN. Well, you said to read this. I was seeing if I was familiar with it.

The CHAIRMAN. I assumed that you were familiar with it.

Mr. SULLIVAN. I might. I put my name on anything I receive, and I received this letter here.

The CHAIRMAN. You received the letter?

Mr. SULLIVAN. This letter should be made public here.

The CHAIRMAN. That is what I was going to do, Sheriff Sullivan, make it public. I will read the letter, or you can read it if you want to. What is the date of the letter?

Mr. SULLIVAN. February 17, 1949. Yes, sir; you read it.

The CHAIRMAN. I will read it. This, apparently, is a letter dated February 17, 1949, sent to you by the president of the Crime Commission of Greater Miami. [Reading:]

Hon. JIMMY SULLIVAN,

Sheriff, Dade County,

Court House, Miami, Fla.

DEAR MR. SULLIVAN: This letter is written pursuant to direction of the board of directors of the crime commission and to explain the purpose of certain visits.

You will recall that some 4 months ago the directors of the Crime Commission of Greater Miami invited you to meet with them and you were kind enough to accept. At that meeting the directors explained that the purpose of the crime commission is to seek better law enforcement and more widespread respect for laws in Dade County.

To that end we offered you and your office the full cooperation, including the investigative facilities, of the crime commission.

In January 1949, at the direction of our board of directors, one of our directors called your office on the telephone for an appointment with you. He was told that you were out of your office at that time, so he left his name and telephone number with the request that you call him. I understand that he has not heard from you. Against the direction of the board of directors a committee of three of the directors called at your office so they left their names and telephone numbers with your Mrs. Stewart.

The Crime Commission of Greater Miami has a large membership and also some 100 sponsoring organizations comprising a representative cross section of the citizenship of Dade County. Enclosed is a pamphlet showing the names of some of those sponsoring organizations. The crime commission can see no

reason why illegal gambling including bookie activities in Dade County should not be stopped promptly and permanently. Such activities are violations of State law and since you are the chief law-enforcement officer of the county, we look to you for help.

We are informed that in December 1948 you gave to the present chairman of the State Racing Commission a signed statement indicating that horse book-making in Dade County was to cease immediately and permanently. It is open and public knowledge that these particular activities and other illegal gambling activities are continuing and that many of the largest hotels at Miami Beach are permitting horse-booking operations on their premises. Continued toleration of these illegal activities will make further and more detrimental inroads on our general law-enforcement structure. It is our duty to our members and sponsoring organizations and to you, as sheriff, to call your attention pointedly to these facts and to let you know that if your office is unable for any reason to rectify them then it is our duty to inform our membership and sponsoring organizations, also to take such measures as may best be calculated to remedy them.

Again we offer you our sincere cooperation and invite you to call on us at any time.

Yours very truly,

President, the Crime Commission of Greater Miami.

I suppose that was Col. Jack Younger. Did you say you got that letter?

Mr. SULLIVAN. I probably got the letter. Yes, sir, I would say, yes.

The CHAIRMAN. You see the return receipt, signed by you, do you not?

Mr. SULLIVAN. I would say, yes. However——

The CHAIRMAN. That is a pretty important letter. If you got it one would think you ought to remember it, because they were offering you the facilities of their whole organization, and it represented all the people wanting to help.

Mr. SULLIVAN. They have been to my office and never offered anything like that. I am in my office just about every morning. We had one of the gentlemen come up here yesterday morning who stated that all the time the grand jury was in session I was out of the State, for 6 months, which you know that I couldn't be, as the chief law-enforcement officer of Dade County, as the sheriff. The most that I have ever been out of the State on a vacation was 16 days.

The CHAIRMAN. Well, Sheriff, the point is that here they say:

To that end we offered you and your office the full cooperation, including the investigative facilities, of the crime commission.

Did you take them up on that or did you ever tell them that you would like for them to help you? Did you ever ask them for any information? Did you or not?

Mr. SULLIVAN. In that particular letter, I don't know what happened. I don't remember talking with them after that letter was written.

The CHAIRMAN. Well, that has been almost a year and a half ago.

Mr. SULLIVAN. I understand that.

The CHAIRMAN. And they have apparently offered to help.

Mr. SULLIVAN. And I have publicly solicited their help also.

The CHAIRMAN. Have you asked them for any assistance?

Mr. SULLIVAN. I have been to their meetings. I have talked with them. I have written them. They say, "It's your job, it isn't our job."

The CHAIRMAN. Have you asked them to furnish you with information about——

Mr. SULLIVAN. Let me read a letter here.

The CHAIRMAN. Have you asked them to furnish you with information about the Roney Plaza, the Boulevard, or any of these places?

Mr. SULLIVAN. I have asked them for information pertaining to gambling in general.

The CHAIRMAN. When did you ask them?

Mr. SULLIVAN. I wrote them a letter on February 5.

The CHAIRMAN. Of what year?

Mr. SULLIVAN. 1950. I would like to read it.

The CHAIRMAN. All right.

Mr. SULLIVAN. I am going to read the entirety of this page here and this quarter.

Your weekly scandalcast—

The CHAIRMAN. To whom is the letter addressed?

Mr. SULLIVAN. It is addressed to Mr. Daniel Sullivan, Director, Crime Commission, Miami, Fla. [Reading:]

Your weekly scandalcast has come to my attention. I had been warned that because of your activities before the current grand jury and the presence in Miami Beach of the United States Attorney General, whom you seek to impress, you would make your accusations and charges particularly sensational on your weekly broadcast and news write-ups this week end. You have lived up to the advance billing.

As the \$15,000 per year scandalizer of the so-called crime commission, you know that you are not honestly interested in suppressing crime in this county. You know you and your organization, composed of a few anti-Sullivan people, set out from the very first to "get" Jimmy Sullivan. You and others in your group who suffered two successive and overwhelming defeats at the election polls in the sheriff's race, have combined, planned, and conspired to take over my office by means fair or foul; and as a part of your disgraceful program you have broadcast every week that gambling is wide open and that the county is overrun with thugs, crooks, gangsters, racketeers, hoodlums, thieves, triggermen, mobsters, and other frightening appellations of your own invention.

These charges are pure fabrications of your own creation, and you know it.

All the local residents whom you have named as having criminal records are has-beens so far as the law is concerned and, while they may be listed as neighborhood undesirables, since they are not under prosecution or charge for any offense, they have the same rights under the Constitution and laws that you or I have.

Not one single name have you mentioned in all your scandal-mongering speeches of any man in Dade County who is wanted by the law for any offense. Your repetitious, windmill attacks against the names and records of past offenders seem to make better and more sensational music for your deceitful purposes. Neither do you concern yourself with the more serious social offenses, such as larceny, rape, highway robbery, murder, manslaughter, juvenile assaults, burglary, and many other high felonies. Gambling is your sole objective. You and your organization are not truly anticrime; you are anti-Sullivan, and from the beginning you have attempted and laid plans to do what you failed to do at the election polls—get Sullivan out of office.

If you have evidence of gambling in this county, why do you secrete it in your files and use it only in your attempts to "get Sullivan"? If you will not place your evidence before me, why have you not laid it before the county solicitor, the State attorney or one of our many warrant-issuing judges for action? If you seek to perform an honest public service, why have you not had the courage to use this evidence to suppress the conditions you claim to exist?

The answer is obvious. Your purpose is to take over the sheriff's office, not to suppress or eradicate crime. Through the medium of your scandalous, crime-mongering broadcasts, you seek to influence the grand jury to assist you in your hidden purpose to defeat and oppress me by a back-door method, after you lost the front-door effort at the election polls.

As to the matters covered in your charges, my office is operated in strict accordance with a written opinion of the attorney general of Florida, based upon the

laws of this State. The State attorney has a copy of that opinion and if you are interested, can prepare a copy for your use.

Lastly, let me say that, while there may be (there always has been) a small amount of "sneak" gambling in a few places, you, as the high-salaried "get-Sullivan" hatchetman, well know that on the whole, considering our community growth and the 60-square-mile spread of over 500,000 permanent residents and hundreds of thousands of winter visitors, the sheriff's office has done a good job in suppressing crime and keeping the county clean. In my entire force of only 95 persons, after deducting clerks, and road patrolmen, I have only 15 men to handle the criminal assignments, which includes work in the criminal court of record, the court of crimes, and the circuit and county judge's courts.

Divide these 15 men into working shifts, and you will understand, perhaps, what we are confronted with in our efforts to serve the people of this fast-moving county. Despite this shortage of manpower, our criminal division's record is second to none in the South.

A copy of this response has been mailed to Gov. Fuller Warren.

Very truly yours,

JIMMY SULLIVAN, *Sheriff*.

The CHAIRMAN. Let me see the letter a moment. You complain there that you didn't have enough deputies or there was some shortage of men, that you had only 15 men to do something. Here it is:

I have only 15 men to handle the criminal assignments, which includes work in the criminal court of record, the court of crimes, and the circuit and county judge's courts.

You really need more men than that.

Mr. SULLIVAN. Senator, that is true. I have my road patrolmen come in and work overtime on investigation assignments, and I have civil men who work overtime.

The CHAIRMAN. The point is, Sheriff Sullivan, that Judge Milledge here yesterday testified that he appointed some elisors, that is, citizens to serve warrants, and that you brought a suit, I believe, to enjoin their appointment.

Mr. SULLIVAN. No, sir, Senator; the appointments were already made.

The CHAIRMAN. Didn't you object to them?

Mr. SULLIVAN. No.

The CHAIRMAN. You didn't object to them?

Mr. SULLIVAN. I had nothing to do with an objection to the warrant, the service of the papers, or anything else, but the manner in which it was handled; some law-enforcement body should have handled it. You shouldn't go out here and get people off the street to take on a raid of that kind, line people up against the wall and jerk a gun into their stomachs and frighten them to death, because some of them would nearly jump out of the window in the place.

The CHAIRMAN. That was an honest effort on the part of the judge to get some help for you, wasn't it?

Mr. SULLIVAN. I wouldn't say so, no; because my office was there and we have never failed to serve one paper which the judge has issued, if possible, in Dade County. Then we also have justices of the peace and constables. We have law-enforcement officers who are experienced in making those arrests, and if one of those papers should be directed to me and I should fail in my duty to properly carry out that order I would be removed from office. All the Governor would have to do to remove me from office would be to say, "I suspend you from office temporarily, until the legislature meets again."

The CHAIRMAN. I notice your letter says here :

And as a part of your disgraceful program, you have broadcast every week that gambling is wide open and that the county is overrun with thugs, crooks, gangsters, racketeers, hoodlums, thieves, triggermen, mobsters, and other frightened appellations of your own invention.

These charges are pure fabrications of your own creation, and you know it.

Well, I was just looking at this chart [indicating exhibit No. 108, a chart submitted by Mr. Daniel Sullivan]. Isn't it true that these people have been running around here?

Mr. SULLIVAN. Yes.

The CHAIRMAN. You would not want to call them the creation of somebody's imagination if they are around here?

Mr. SULLIVAN. Yes, Senator. That is just what I have been speaking of just now though. When a group of people spend days, many days, getting that information and if an arrest can be made and those people can be taken care of before a court of justice why have not those papers been presented where they can be taken care of?

The CHAIRMAN. Well, Mr. Sullivan, you can't correctly say though that these people haven't been here, that it hasn't been public knowledge that they have been here. I have seen Miami papers during the past 6 or 8 months with their pictures in them showing that they were registered in hotels here. You can't say that is just pure fabrication or the creation of somebody's imagination, can you? I mean, that is hardly correct. If these people are hanging around here every year, why, that is not pure fabrication of "your own creation." is it?

Mr. SULLIVAN. Senator, we have several hundred thousand people who come down here in the wintertime and it is impossible—we in every way invite as many people as we can to come to Dade County in the wintertime and the year round, particularly when the horse races are going—we have three horse races going here in this area and one of them in Broward County. We get as many people down here as we can.

The CHAIRMAN. I know that Sheriff Sullivan, but you don't want these people [indicating chart] down here, do you?

Mr. SULLIVAN. We don't want these people down here.

The CHAIRMAN. It has been quite common knowledge to anyone who knows anything at all that these people have been here every season.

Mr. SULLIVAN. Suppose we do this, Senator. Suppose if we have something that we can do about them we go to the law-enforcement officers and say, "Let's arrest these fellows. We have investigated and find we can arrest them on this type of charge" instead of going down to our newspapers and saying, "This is what you see in Dade County. Be careful in walking down the street because somebody will strike a knife in you"? Wouldn't that be better?

We got many thousands of property owners, and some of them are big property owners who pay big taxes to operate our county. We have the fastest-growing area perhaps in the United States.

The CHAIRMAN. Let us get back to this other point. With all these people here you say, "Wouldn't it be better to let you know they are here rather than putting it in the newspapers." I assume it has been going on for a long time and it is common knowledge that these people are here and that many of them have been operating various

things, illegal operations. What good would that information do if it was turned over to you? I suppose as a last resort, feeling nothing else had happened, they put it in the newspapers.

Mr. SULLIVAN. Well, if the newspapers are for you it is one picture and if they are against you it is another picture. You know that, Senator. You are well aware of that fact. If you run for office you find that out and I happen to know.

The CHAIRMAN. So you don't think the newspapers are in favor of law enforcement, in getting these criminals and arresting them and bringing them to justice and getting them out of town? You don't think they are in favor of it?

Mr. SULLIVAN. They are.

The CHAIRMAN. Why do you condemn their efforts in that respect then?

Mr. SULLIVAN. I am in favor of it just as much as they are. I work just as hard as they work and I have my entire force working hard.

The CHAIRMAN. But nothing has happened; isn't that the point?

Mr. SULLIVAN. Well, you just saw 272 or 279 of them were sent to our prison here last year.

The CHAIRMAN. I didn't see any of those names on there [indicating charts].

Go ahead with your statement, Mr. Sullivan. I didn't mean to get into an argument with you.

Mr. SULLIVAN. Senator, in regard to what you spoke of a minute ago as to the elisor raids—

The CHAIRMAN. Yes.

Mr. SULLIVAN. This case was brought by Jimmy Sullivan, as sheriff of Dade County, Fla., against Stanley Milledge, as one of the judges of our Circuit Court of Dade County—

The CHAIRMAN. Then you did bring a suit?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. I thought your counsel said no suit was brought?

Mr. HUNT. Counsel never said that because counsel brought the suit.

The CHAIRMAN. I see.

Mr. SULLIVAN. The suit was brought to show cause, to show the cause why my office was not called on to serve these processes. It is my duty to do that and if I fail one time let them put me out of office legally through our State channels which they can do, but I don't believe that—I don't know just what happened in that case. One of the fellows who was working there when this took place was also one of the elisors who was appointed elisor.

The CHAIRMAN. Anyway, an elisor was appointed by Judge Milledge?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Judge Milledge has a very good record of trying to enforce the law.

Mr. SULLIVAN. Yes, sir. He is a very fine fellow.

The CHAIRMAN. If there wasn't any question that he had to appoint an elisor, how about the sheriff's office?

Mr. SULLIVAN. No.

The CHAIRMAN. Did he appoint an elisor or not?

Mr. SULLIVAN. Senator, he appointed an elisor but not to help out the sheriff's office. We were there to serve the papers.

The CHAIRMAN. Will you explain that any way you want?

Mr. HUNT. Let me present, Senator, a copy of the bill for declaratory decree which will present the legal issues as they were plead in court [handing document to the chairman].

The CHAIRMAN. May we have this for the record?

Mr. HUNT. Yes, sir. I am giving it to you for the record.

The CHAIRMAN. I see this is a long order, Mr. Hunt. Why don't you explain what the orders says to save time? What was the result of the order?

Mr. HUNT. The order, signed by four of the circuit court judges, Judge Milledge excepted, holds two things, that—

All process, except that issuing from a justice of the peace court, shall be served by the sheriff or any constable of the county in the district in which it is to be served. Process of a justice of the peace court may be served by a sheriff of the county or by a constable. A justice of the peace or a constable in the respective counties, may serve all process in cases where the sheriff is interested, and in case of necessity the judge of the circuit court may appoint an elisor to act instead of the sheriff.

And it was held in this opinion by these four judges that it was improper to go over the head, that it was improper for a circuit court judge to go over the heads not only of the sheriff but the constitutionally elected and appointed justices of the peace and constables provided under this law and to appoint a private individual to strap a gun on him and go raiding.

That is the purport of it. It did dismiss the bill upon the ground that such an action could not be maintained under the Florida declaratory decree statute.

The CHAIRMAN. Well, the bill that was dismissed—

Mr. HUNT. Was the one I presented.

The CHAIRMAN. Was Sheriff Sullivan's bill?

Mr. HUNT. That is right.

The CHAIRMAN. So, there wasn't any decision here as to whether—

Mr. HUNT. You have three pages of such decision as I have just quoted.

The CHAIRMAN. Well, this just states the law and then just says that Sheriff Sullivan's bill for some jurisdictional reason has to be dismissed.

Mr. HUNT. That latter part is correct.

The CHAIRMAN. We will mark this as an exhibit. (Bill for Declaratory Decree, and opinion and order, referred to above, was marked "Exhibit No. 136," and appears in the appendix on pp. 770-777.) Anything else, Sheriff?

Mr. SULLIVAN. Senator, we have here some of the things of which you heard yesterday. These are the records of some of the people, their past records, who live on Miami Beach or in different parts of Dade County [indicating file].

The CHAIRMAN. You are talking about some of the S. & G. people?

Mr. SULLIVAN. Well, I am talking about the people we have records of. It could be. I don't know. It is possible.

I am speaking now of this Charles Fischetti who lives on Allison Road, Miami Beach, and whose phone is not published and is in his wife's name. His wife is a registered voter. The taxes are paid by Ann Fischetti. The gas is paid by Ann Fischetti. The water is paid by Ann Fischetti and the lights are paid by Ann Fischetti.

The gas was paid since January 9, 1939, and the lights were paid since October 10, 1939.

Mr. HUNT. Go to the next one.

Mr. SULLIVAN. The next one is Joe Massei, who lives at 1062 Northwest Twenty-second Street, who receives his mail there, rather, in care of the Miami Provision Co., phone, 2-8413, and his residence is the Grand Hotel, 2220 Twenty-third Street, Miami Beach, phone, 56813; no voter's registration; taxes on 1062 Northwest Twenty-second Street paid by Miami Feed & Supply Co., located at 1038 Northwest Twenty-first Terrace. Lights in the name of Joseph Miller, wholesale meat business; taxes on 220 Twenty-third Street, Miami Beach, paid by Polkin, Inc.; lights on 220 Twenty-third Street, Miami Beach, paid by John G. Lutz since September 30, 1949.

Here is Sam Taran who has been in local skirmishes here from time to time. He lives at 6520 Allison Road, Miami Beach. The phone is 86-1903 and 86-6986. His wife is Diane and brother is F. H. Taran; Taran Distributors, Inc., 2820 Northwest Seventh Avenue; Sam Taran, president; Taran Television, phone 3-7648. Registered voter. Taxes paid by S. H. Taran; gas paid by S. H. Taran since December 3, 1945; water paid by S. H. Taran since December 3, 1945 and lights paid by S. H. Taran since December 3, 1945.

The CHAIRMAN. How many do you have there?

Mr. SULLIVAN. Senator, the point—

The CHAIRMAN. The point is you prove that they are property owners?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Will you file these as an exhibit to your testimony? The committee will be glad to have the information. (Photographs and criminal records submitted by Sheriff Sullivan were marked "Exhibit No. 137," on file with committee.)

Are those the identifications of them?

Mr. SULLIVAN. Yes, sir. And also some more pictures of some [handing photographs to the chairman].

The CHAIRMAN. I see you have a picture of Mickey Cohen and his body guards.

Mr. SULLIVAN. You will be interested in this I am sure. We have these and records for these people here [handing documents to the chairman].

The CHAIRMAN. The first picture you hand me is the home of John Angersola.

(Exhibit No. 138, see appendix, p. 777.)

Mr. SULLIVAN. Yes, sir. And, here is another picture of John Angersola [handing photograph to the chairman].

(Exhibit No. 137 on file with committee.)

Mr. SULLIVAN. Here is a picture of Sam Taran's home [handing photograph to the chairman].

The CHAIRMAN. It will be made an exhibit to your testimony.

(Exhibit No. 139, see appendix, p. 778.)

Mr. SULLIVAN. Here is a picture of Sam Taran's place of business. (Exhibit No. 137 on file with committee.)

The CHAIRMAN. What kind of distributing company is that?

Mr. SULLIVAN. It is listed on the back there. It is a meat-distributing business, I believe.

Here is Ralph Buglio, 261 North Coconut Lane, Palm Island [handing photograph to chairman].

The CHAIRMAN. It will be made part of the record.

(Exhibit No. 140, see appendix, p. 778.)

Mr. SULLIVAN. Here is one of Joe Massei of the Grand Hotel [handing photograph to the chairman].

The CHAIRMAN. Is that the Grand Hotel on Twenty-third Street, Miami Beach?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. He doesn't own the Grand Hotel, does he? He just occupies it just with somebody else?

Mr. SULLIVAN. Well, he is there. They claim that he is one of the owners.

Joe Massei at 1062 Northwest Twenty-second Street. There is his provision place there [handing photograph to the chairman].

The CHAIRMAN. It will be made a part of the record (exhibit No. 137).

Mr. SULLIVAN. There is Martin Leo Accardo.

(Home of Martin Leo Accardo, exhibit No. 141, see appendix, p. 779.)

Mr. SULLIVAN. There is Charles Fischetti over there [indicating and handing photographs to the chairman].

(Home of Charles Fischetti, exhibit No. 142, see appendix, p. 779.)

The CHAIRMAN. Some of them have mighty big residences, don't they?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. This is Charles Fischetti? You have been talking about him. He is the Charles Fischetti from Chicago?

Mr. SULLIVAN. Yes, sir. Here is Tony Accardo [handing photograph to the chairman].

(Home of Tony Accardo, exhibit No. 143, see appendix, p. 780.)

The CHAIRMAN. How come you have these pictures? What did you take these pictures for?

Mr. SULLIVAN. Well, I was trying to find out what I would be able to do with them.

The CHAIRMAN. So, that when the committee came you thought it would be a good idea to show them.

Mr. HUNT. I don't think that is—

The CHAIRMAN. I didn't mean to make any disparaging remarks.

Mr. SULLIVAN. I was trying to find out what I could do with the undesirable people that are here with their pictures and records that we have of them. However, so far we only have photographs of these fellows and can't arrest them because we don't have anything that we can arrest them for.

It has been suggested by some people that I go out and pick them up and put them in jail. I am under a \$25,000 bond. If I go out and start putting people in jail for no reason whatsoever I am on my bond. I have got to find some charge or another to arrest these people for. I got to have some charge that will stick. If I were able to employ a lot of outside men well then I might be able to find out some more stuff that is not actual crimes.

The CHAIRMAN. Are these slips with the descriptions you have been reading from for the use of the committee?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Can you give us those descriptions?

Mr. SULLIVAN. Yes, sir [handing documents to the chairman].

The CHAIRMAN. Let them be filed as exhibits to Sheriff Sullivan's testimony.

(Exhibit No. 137, on file with committee.)

The CHAIRMAN. You had here a picture of Mickey Cohen and three body guards. What did you do with that? Is that just a record?

Mr. SULLIVAN. This is a file that we have here [indicating] from which we try to find out if we have a record on these men or that we can place something against them; we don't want them here at all, a bit more than somebody else wants them in this State or in their State if they are trying to commit a crime. In fact, we don't want them here period. But how are we going to get them out if they have not committed a crime or are wanted for some other charge?

We have pictures of all these criminals here and we have FBI records on them.

The CHAIRMAN. Let me have that Mickey Cohen picture.

Mr. SULLIVAN. Yes, sir [handing photograph to the chairman]. These pictures go with the records there [indicating].

The CHAIRMAN. All right, we will attach them to the record. (Photograph referred to is included in exhibit No. 137, on file with the committee.)

Mr. SULLIVAN. Now, here is a record of a local fellow who is an undesirable man who has been arrested here many times and taken into court. Every time you take him he gets out. He has been arrested in other places many times.

Mr. HUNT. What is his name?

Mr. SULLIVAN. His name is John Nahas and he has been arrested for armed robbery, conspiracy to violate the Prohibition Act, arrested by State troopers and admitted to the Federal penitentiary, arrested for vagrancy, assault and battery; investigation receiving stolen property, investigation operation of bawdy house; investigation of procurer of bawdy house and prostitution; operating house of prostitution; operating house of ill fame.

Quite a number of these are not in Miami. They are in Michigan. They are in Indiana. They are in Kansas. They are in Illinois and there are several other States that they are in.

Mr. HUNT. You want to put that in?

The CHAIRMAN. Yes; put that in the record.

(Exhibit No. 137, on file with committee.)

The CHAIRMAN. Sheriff Sullivan, we are going to have a very short recess at this time. We hoped that Mr. Harry Russell would be here. That matter, therefore, will be deferred.

The committee will take a 5-minute recess.

(A short recess was taken.)

The CHAIRMAN. All right, Sheriff, do you have any other records?

Mr. SULLIVAN. Yes; I do have. I have the balance of these records of which we were speaking of at the present time.

Anyway, at the time we get the finger prints or pictures of these people we get their records and if we can make an arrest we make the arrest. We have these pictures where we can help other law-enforcement agencies and the Federal Bureau in Washington which we have and they don't have.

The CHAIRMAN. A lot of the complaints, as a matter of fact, that have been sent here came from other county law-enforcement officers or States and what not, didn't they?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. That information was furnished to you by them.

Mr. SULLIVAN. That is true.

The CHAIRMAN. You put anything you have there in the record, Sheriff Sullivan.

Mr. SULLIVAN. We have a record of a man which came up here yesterday for quite a discussion while this matter was being presented, this Sam Millman. His address, his local address is 2609 Collins Avenue, Miami Beach, and his place of arrest was at Northwest Thirty-sixth Street and Thirteenth Avenue, one block east of the Club 36. He was arrested by one of our men, George Patton at 3:35 a. m. on May 5, 1950. The above subject was arrested along with Moe Rockfeld on suspicion of jewel robbery. He was held for investigation and later put into a lineup for identification. People failed to identify the subject. Further investigation revealed that subject had a record. The subject was charged with "Failure to register criminal record." He was tried in the court of crimes on June 2, 1950, and was found not guilty. FBI record attached. "This Millman, a partner of Moe Rockfeld," that is the notation on here and his FBI record is put in and the last few times that he was arrested. His last time out of the State was December 30, 1943, in Jackson, Mich. He was charged with conspiracy to obstruct and impede justice and on June 28, 1945, he was paroled to Detroit, Mich., to serve balance of term and on January 10, 1948, he was discharged from parole.

We arrested him twice here, once at Miami Beach on March 2, 1950, for criminal registration with the sheriff's office, Miami, Fla., and we arrested him which I quoted on May 5, 1950, for investigation for which he was recently released.

That is the only thing that we do when we do have no charge against them if the people who come to see them and identify can't say he has committed a crime. If we can find out or if people will help us instead of saying, "You go out and get it," that would help.

The CHAIRMAN. There is a statute requiring registration by any people, or, requiring the registration of any people with a criminal record.

Mr. SULLIVAN. Felonies.

The CHAIRMAN. Felony records?

Mr. SULLIVAN. Felony records; yes, sir.

The CHAIRMAN. You just couldn't prove that he was the one that committed that offense in Michigan?

Mr. SULLIVAN. He was registered previously with our office and also on Miami Beach for a felony record.

And the case of Moe Rockfeld:

The following subject is described by the local newspapers and by the crime commission as a notorious Detroit and Chicago hoodlum. Moe Rockfeld, alias Morris Rockfeld; male white; age 44; address, local, 2609 Collins Avenue, Miami Beach, Fla. Place of arrest, Northwest Thirty-sixth Street and Thirteenth Avenue, about one block east of Club 36. Arrested by George Patton. Time, 3:35 a. m. on May 5, 1950.

The above subject was arrested along with Sam Millman on suspicion of jewel robbery and booked into the county jail. Subject was later put into a line-up and victims failed to identify him.

The subject was later charged with vagrancy and tried in court of crimes in absentia and found not guilty.

He was tried in the court of crimes by his attorney. He was not there and his attorney pleaded for him in absentia, and he was found not guilty. That was on June 7, 1950.

Now we have, Senator, these people who come here and they are not wanted, see? If any officer would arrest them or if any law-enforcement office can arrest them we would be happy because we consider it all right. Any time we get hold of a notorious character we lock him up. I know any one of my men would be very happy to do that. They think they have done something. They think it is a feather in their cap, and I always try to impress the importance of that. I try to do something for them to encourage it more.

That is one of the main things that our papers should do in a case of that kind.

The CHAIRMAN. Mr. Sullivan—

MR. SULLIVAN. Any time our men go out and perform some outstanding duty for the good of the community they should be praised for it greatly. They are just human beings, just like other people, and you can do a lot more with them if you try to help them instead of knocking them down every time a chance comes along to do that.

Here is a picture of Joseph Adonis, alias Doto, and his FBI record, which I am going to turn over here. The last time Joseph Adonis was arrested was May 9, 1940, by the police department in New York. It doesn't say "Released" here. It says, "No longer wanted as Joe Adonis. Subject arrested and released." "No longer wanted," see?

Now, this is one of the fellows here that we received a tremendous amount of very, very bad publicity on from time to time. He is from time to time in our area, and I tell you that that stuff in our newspapers doesn't do our town no good.

The CHAIRMAN. Is he registered with you, Joe Adonis?

MR. SULLIVAN. Only in that manner, Senator.

The CHAIRMAN. I mean, did he file his felony registration here in this county?

MR. SULLIVAN. Joe Adonis has not filed in our county, I mean, in our sheriff's office. We have records of these following men and Joe Adonis.

Frankly, Senator, I can't tell you whether he has filed with us for his criminal record. I would say that he has. I don't know if it is with the city of Miami or the city of Miami Beach.

This office has records of criminals, criminal records of the following men:

Ralph Buglio, Joe Massei, alias Joe Massey, Sam Taran, Frank Erickson, Joe Adonis, Frank Costello, Anthony Carfano, Charles Fischetti, Moe Rockfeld, alias Morris Rockfeld, Samuel Millman, Jimmie Sakelaris (Taran's partner), Isadore Blumenfield, alias Kid Cann, Nick Kokenes—

The CHAIRMAN. You mean, these people have filed their felony registrations with you?

MR. SULLIVAN. We have records of these.

The CHAIRMAN. Everybody has records. Do you have felony registration certificates on these?

MR. SULLIVAN. Of these.

The CHAIRMAN. You do have?

Mr. SULLIVAN. I am sure we have the ones of these [indicating], but we don't have the ones for these [indicating].

This office has criminal records of the following-named men [indicating].

The CHAIRMAN. What do you mean by that? You have their pictures—

Mr. SULLIVAN. FBI record.

The CHAIRMAN. And their slip?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. But I was asking about the record they are required to file when they register when they come in.

Mr. SULLIVAN. That definitely I can't tell you. It will be in my office if we have it.

The CHAIRMAN. That is very important, isn't it?

Mr. SULLIVAN. We have a number of them. Here is one that was booked at 11 a. m. on February 28, 1947, in the sheriff's office, Paul Pancsko. He was released on a writ of habeas corpus on March 2, 1947, by order of one of our circuit court judges. This is the gentleman [handing photograph to the chairman].

The CHAIRMAN. I have seen his picture before. Let's get these into the record as quickly as we can, Sheriff.

(Photographs and records referred to above are included in exhibit No. 137, on file with committee.)

Mr. SULLIVAN. Yes, sir. We have about 285,000 classifications in our office upstairs on the nineteenth floor.

Here is Paul Labriola that was mentioned here. He was booked in the sheriff's office on February 28, 1947, and was released on a writ of habeas corpus by one of our circuit court judges [handing photograph to the chairman].

The CHAIRMAN. All right, it will be filed. (Exhibit No. 137.)

Mr. SULLIVAN. I got two of those there. I got three right together [handing photographs to the chairman].

The CHAIRMAN. They will be filed. (Exhibit No. 137.)

Mr. SULLIVAN. This one. John Kay, was booked by our office and released on a writ of habeas corpus on February 28, 1947. Nick Kokenes was booked on February 28, 1947, and was released on March 2, 1947, on a writ of habeas corpus [handing photographs to the chairman].

The CHAIRMAN. That will be filed in the record. (Exhibit No. 137.)

Mr. SULLIVAN. Senator, I think it is very important to bring these things to your attention, the work that our office does in the county and also in trying to relieve the community of undesirable elements. Here is a letter from the Sevier County circuit court:

In reply to the telegram received this day from Western Union in regard to George Laris stating his case number in circuit court 356.

I have checked my records and I find that case No. 356 in the circuit court of Sevier County, Tenn., was styled: *State of Tennessee v. Jimmie Sakclaris, alias*, who was indicted in the circuit court of Sevier County, Tenn., March 2, 1937, for arson, and he was tried and convicted in the circuit court of Sevier County, Tenn., on July 12 and 13, 1937, a motion for new trial was made by the defendant which motion was heard by the court on July 14, 1947, and the court overruled said motion for new trial; the defendant appealed his case to the Supreme Court of Tennessee, sitting at Knoxville, Tenn., which appeal was perfected by the defendant and his counsel and pending the appeal the defendant, as I understand the record, got a pardon from the Governor of the State of Tennessee.

So far as the records in my office are concerned in regard to case No. 356, the defendant, Jimmie Sakelaris, alias, was convicted for arson in the circuit court of Sevier County, Tenn., and appealed to the supreme court sitting at Knoxville, Tenn., which appeal was perfected so far as my records are concerned.

If you desire a certified copy of the proceedings as they appear on record in my office in Sevier County, Tenn., I will be glad to furnish same but I believe that you would get a more complete record by getting in touch with the clerk of the supreme court at Knoxville, Tenn., as to the complete record and also as to the pardon granted by the Governor of the State of Tennessee.

Yours truly,

H. T. OGLE,
Circuit Court Clerk.

The CHAIRMAN. May I see it?

Mr. SULLIVAN. Yes, sir [handing letter to the chairman].

Mr. HUNT. Is the record attached?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. It will be filed as an exhibit (exhibit No. 144). Did he file his felony certificate with you?

Mr. SULLIVAN. That, Senator, I can't tell you. I can have that checked, yes, sir. However, there is a law here in the State of Florida that is compulsory within 10 years. Here is the last current record of Frank Costello. This individual form is what we send up there to find out about Frank Costello. The arrest was made here on this. We found out that Frank Costello, and they said his record and that of Frank Saverio were identical. They were the same as the arrest that was made in New York City of Costello and Saverio.

The CHAIRMAN. So you have his record. What did you do with it?

Mr. SULLIVAN. This is not the record. This is the form that was sent up there with the letter to the FBI in Washington to try to get the information to see if he was wanted for something or another, after the arrest was made here in Dade County. This is the last known address of Frank Costello.

This is another one: Frank Erickson. The last time he was arrested here, June 8, 1939, at Queens for perjury, second degree.

The CHAIRMAN. In 1939.

Mr. SULLIVAN. Yes, sir. His case was appealed and the defendant was released on certificate of reasonable doubt, and \$2,500 bond, Judge Mayes of the supreme court in 1940.

This is additional stuff of Frank Erickson.

The CHAIRMAN. Well, Mr. Sullivan—

Mr. SULLIVAN. Yes, sir?

The CHAIRMAN. We know that there should have been records on all of these people. We don't want to keep all your records here that you have. What are you trying to establish by putting all of this in the record like that?

Mr. HUNT. May I say that the charge has been made, and he has done the best he can to establish the validity of these charges.

The CHAIRMAN. Here, Frank Costello's record of an arrest in 1939—

Mr. HUNT. You have to write off—

The CHAIRMAN. I don't see what 1939 has to do with the current year.

Mr. SULLIVAN. Well, I think that up to that time when we got this letter, when he had this last skirmish with the law; that is, the last time he was arrested—

Mr. HALLEY. May I ask that the point that is being brought up here—the job of writing and getting certain police records, every police station in the United States has done that and does that. Is that what you are driving at?

Mr. SULLIVAN. No, that has nothing to do with that.

Mr. HALLEY. I don't see the relevancy.

The CHAIRMAN. Anyway, let's go on here and get any others that you have here.

Now, are these your original records? We don't want you to deprive yourself the use of them.

Mr. SULLIVAN. These were the FBI records which we have obtained. They are obtained by each law enforcement department in case they have inquiries for this or that case. In that case we pick the man up and see what additional charges he has, and what he is wanted for. These charges we got, the most of them are all of people whom we arrested and were in custody for some charge or another.

If the chairman would like to have these records, here is a little presentment that I would also just like to show. I would like to show you the working of our office for 3 months. Of course that don't cover this year. That covers the year 1946, right after I had been sheriff for 1 year.

The CHAIRMAN. Well, can we have that made a part of the record also?

Mr. SULLIVAN. Yes, sir.

(Record of Sheriff Sullivan's office for 3 months, second quarter of 1946, was marked "Exhibit No. 145" and appears in the appendix on p. 781.)

Mr. SULLIVAN. That is all for the present time.

The CHAIRMAN. Is there anything else, Mr. Sullivan, that you want to bring out?

Mr. SULLIVAN. Senator, I don't have anything to present at the present; no, sir.

The CHAIRMAN. I think I should say by way of explanation that the papers that Mr. Sullivan has handed me here are for the second quarter of 1946, 3 months. The various arrests are for all kinds of things. The total for those months is 1,721, which are for health violations; violations of beverage laws; and drunken driving, and reckless driving.

Mr. SULLIVAN. Senator, you will also notice the gambling cases that were brought in, and arrests made at that date?

The CHAIRMAN. The total is 130 during those 3 months. There are cases of drunkenness, delinquent children, and so forth.

Mr. SULLIVAN. Well, I think this will show you our arrests for operating gambling places.

The CHAIRMAN. Mr. Sullivan, just before we recess for lunch, these FBI records, any law enforcement officer can get them by writing for them, and they send some of them out themselves. Also if you send a fingerprint in to the FBI, they automatically send you the record: is that correct?

Mr. SULLIVAN. Yes, that is true, yes, it is.

The CHAIRMAN. Do you have a record of the number of fingerprints you have sent in to the FBI?

Mr. SULLIVAN. I believe in our records there we do have. It is listed in the records at the office.

The CHAIRMAN. Do you know how many there were?

Mr. SULLIVAN. Well, I don't know off-hand; no, I don't. On each record of our yearly record from the office it is on.

The CHAIRMAN. Do you have a record on Harry Russell, Jules Levitt, Eddie Rosenbaum, Charles Friedman, and Harold Salvey?

Mr. SULLIVAN. If we have records of them there, they were not in here.

The CHAIRMAN. Was it well known that they operated the S. & G. Syndicate here in Dade County?

Mr. SULLIVAN. They are probably the S. & G. Syndicate operators.

The CHAIRMAN. What do you mean, "probably," Sheriff?

Mr. SULLIVAN. That is what I mean, probably, because I can't say definitely; because I don't positively know, but they probably are, from the many, many reports that we have, and the many arrests that we have made which their attorneys or bondsmen come in and make a bond or try to spring the witnesses.

The CHAIRMAN. What are some of the things that make you think they probably are?

Mr. SULLIVAN. Well, as I say, the arrests that we make and the rumors that go around, and the gossip that goes around—which it does.

The CHAIRMAN. Do you mean some little bookie working for them gets caught and their attorney comes in and makes a bond; is that what you mean?

Mr. SULLIVAN. Well that is one of the many things, yes, sir.

The CHAIRMAN. What investigations did you make of this?

Mr. SULLIVAN. We have raided at times, a number of the S. & G. exchanges, and the only way we know it is the S. & G. is the people who make the bonds, and the attorneys who represented them.

The CHAIRMAN. Did you get any of these people in when you raided?

Mr. SULLIVAN. Apparently they have never been found at any one of the gambling places that we have raided and arrested anyone.

As I understand, people of the syndicate are not frequent visitors of any gambling establishment.

The CHAIRMAN. How about their books and records?

Mr. SULLIVAN. I mean when——

The CHAIRMAN. Have you made an investigation of them?

Mr. SULLIVAN. I don't believe that my office has that power to do that. That is the power of our State's attorney. I believe that our county solicitor hasn't the power; however, he has the power to subpoena them in.

The CHAIRMAN. All right. Do you have any other general statement you want to make, Sheriff Sullivan? We are going to recess pretty soon.

Mr. SULLIVAN. No, I was just speaking of what you asked me.

The CHAIRMAN. It is 12:30 now. I think the committee will stand in recess until 1:15 this afternoon. It is quite apparent that we will have to get along very much faster than we have this morning.

We will stand in recess until 1:15.

(Thereupon a recess was taken until 1:15 p. m.)

AFTERNOON SESSION

(Hearing resumed at 1:27 p. m., July 14, 1950.)

The CHAIRMAN. I think, in order that Sheriff Sullivan may have any evidence that pertains to him before the committee before he finishes his testimony, that in fairness all the way around, since we have two other witnesses that have something to say about the sheriff's office, it would be best to call them before he resumes his testimony.

Mr. HUNT. Very well.

The CHAIRMAN. Is Deputy Sheriff Hawkins in the courtroom?

(No response.)

The CHAIRMAN. Is Deputy Sheriff Hawkins in the committee room?

(No response.)

The CHAIRMAN. We would like to have deputy sheriff called, if some one of the committee's staff will have him called.

Mr. HUNT. We will be glad to call him.

**TESTIMONY OF S. R. FULFORD, POLICEMAN, TOWN OF MIAMI
BEACH, FLA.**

The CHAIRMAN. Mr. Fulford, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. FULFORD. I do.

The CHAIRMAN. Will you proceed with the questioning of Mr. Fulford?

Mr. HALLEY. Mr. Fulford, were you ever on the staff of the sheriff of Dade County, Fla.?

Mr. FULFORD. I was.

Mr. HALLEY. During what time?

Mr. FULFORD. From the 1st of July 1943 until November 1, 1947.

Mr. HALLEY. In what capacity did you serve?

Mr. FULFORD. I served as a deputy sheriff.

Mr. HALLEY. You served as a deputy sheriff?

Mr. FULFORD. Yes.

Mr. HALLEY. What were your duties?

Mr. FULFORD. Well, when I went with the sheriff's office I served a number of months on the road patrol; then I served up there on the desk, dispatching and taking care of the jail at night; I did that for a month, I believe, and then I went from there to the civil department where I was at the time I resigned on October 25, 1947.

Mr. HALLEY. What have you been doing since?

Mr. FULFORD. I am a policeman for the town of North Miami.

Mr. HALLEY. Have you been in that job ever since you left the sheriff's office?

Mr. FULFORD. Yes.

Mr. HALLEY. Do you know a man by the name of Hodges?

Mr. FULFORD. Yes; I do.

Mr. HALLEY. Do you know whether there is any family relationship between Thomas Hodges and Deputy Sheriff Burke?

Mr. FULFORD. Nothing more than what a lady told me who was working out of this restaurant on North River Drive. She said that he was a brother-in-law of Tom Burke.

Mr. HALLEY. Who was the lady?

Mr. FULFORD. She said she was Mrs. Hodges.

Mr. HALLEY. About when did you speak to this lady you are talking about, Mrs. Hodges?

Mr. FULFORD. It was sometime in the summer of 1947.

Mr. HALLEY. In the summer of 1947?

Mr. FULFORD. Yes. It may have been late spring; it was during that, thought; it was before July, 1947.

Mr. HALLEY. Did you stop at this restaurant run by Mr. and Mrs. Hodges at that time?

Mr. FULFORD. I stopped at this restaurant where the lady identified herself as Mrs. Hodges worked.

Mr. HALLEY. How did you happen to stop there?

Mr. FULFORD. I went out there to pick up an automobile on a court order, and in returning I asked my partner if he wanted to stop and get something to eat. He said, "Yes, I am hungry, too." I said, "Let's stop at Pop Ley's place." The last time I was in this place it was operated by Mr. Ley; he is known as Pop Ley.

Mr. HALLEY. What is your partner's name?

Mr. FULFORD. At that time it was Mr. Goldman.

Mr. HALLEY. What is his name?

Mr. FULFORD. Abe.

Mr. HALLEY. A-b-e?

Mr. FULFORD. That's right.

Mr. HALLEY. Is he still in the sheriff's office?

Mr. FULFORD. No, sir.

Mr. HALLEY. Mr. Fulford, what happened when you stopped at this restaurant?

Mr. FULFORD. We went in and sat down at a counter, and this lady came by and she took our order. I asked for Mr. Ley and she said he wasn't there any more, that he had moved. So we ordered some barbecued ribs, and in the meantime she came out and there was a conversation between her and Mr. Goldman. She asked us if we were detectives and Goldman asked her why she asked that, and she said, "You look like it." So we told her we were from the sheriff's office, in the civil department, and she said, "I have a brother-in-law"—that lady who a few minutes before had identified herself that she was Mrs. Hodges, said that she was the wife of Mr. Hodges and that Mr. Hodges was a brother-in-law of Mr. Burke. I said, "Who; that old man?" and she said, "You better not call him old." That was the end of our conversation while we were there at that time.

Mr. HALLEY. What happened next after that?

Mr. FULFORD. We came to the office, and either that day or the following day the chief of the criminal division sent for us to come up. Mr. Harkness, who was then chief of the civil department, told us that Mr. Hawkins wanted to see us. So Goldman and I went up to see him, and he asked me what were we doing out there at this bookie joint, and I said, "What bookie joint." He said, "Do what you ought to do, but not go back down there." He said we were out there in that restaurant. I asked him where he got his information from and he said he got it from Mr. Burke.

Mr. HALLEY. What happened next?

Mr. FULFORD. The following day after lunch I was standing in the door of the civil department when Mr. Burke came along. I called to him and he said, "What do you want," so I walked up to him and hit him on the shoulder and took him into the office and I asked him why he was going around trying to start something about where I stopped to eat. I said to him, "I will eat anywhere I want to eat so long as I have the money to pay for it." I said furthermore, "I would like for you to keep out of my business, because if you don't"—Captain Buford who at that time was chief deputy——

Mr. HALLEY. What is his name?

Mr. FULFORD. Buford. I said to Burke, "If you don't keep out of my business I will stomp the hell out of you, and I will eat anywhere I like to eat." Likewise I told Mr. Hawkins. So I guess Mr. Burke decided that I was possibly upset and intended to try it, so he moved off and quieted down, and then he wanted to talk. I said to him, "I didn't know there was a bookie joint out there. I stopped in that restaurant to eat." He said, "Well, it is out there for you and if you don't get it it is your own damn fault. If you can't get it there I can take you to a couple other places."

Mr. HALLEY. Get what; what was he talking about?

Mr. FULFORD. Money. I asked him, "Why did you go to Mr. Hawkins? There was no shakedown there." He said, "If you don't get it, it is your own fault; if it is not there, I can take you to a couple places," and then he walked off, and I have never spoken to him since.

Mr. HALLEY. Did you say there was plenty for everyone?

Mr. FULFORD. Yes.

Mr. HALLEY. Was anybody else present during this conversation?

Mr. FULFORD. Yes. It was Mr. Goldman, who was working with me at the time, and there was another deputy also in the office, but when the little skirmish started he got out about half way between the door and the exit.

Mr. HALLEY. What is that other deputy's name?

Mr. FULFORD. Harry Cheetham.

Mr. HALLEY. Did Goldman hear this; was he right there?

Mr. FULFORD. Yes. Goldman was standing there.

Mr. HALLEY. Goldman was the man who was with you when you went into this Hodges' restaurant; is that right?

Mr. FULFORD. Yes. There was no bookie joint in that restaurant.

Mr. HALLEY. During the year 1947 did you have occasion to go into a dry-cleaning place out there at the shack?

Mr. FULFORD. Out on Southwest Eighth Street?

Mr. HALLEY. Yes.

Mr. FULFORD. That's right.

Mr. HALLEY. Will you tell us what happened?

Mr. FULFORD. We had another court order on an automobile and we had four or five different addresses.

Mr. HALLEY. Who do you mean by "We"?

Mr. FULFORD. Goldman and I. We worked together for the last year and a half I was there. He came in there after I was working there, and he worked with me I think for approximately a year and a half. I lived out there near this little shack dry-cleaning place, and it is convenient for me to have my dry cleaning done there. I had

lived around there for about a year and a half. Well, I searched the tourist camp to no avail, and I went to this lady who runs the dry-cleaning place there and I asked her if she had such a name as that on her book. I thought possibly that if he stayed in that place he would leave his laundry there with her. She said "No." I described the car to her and she said the only person who could have an automobile like that would be the people in the back. She faces Eighth Street. Mr. Goldman asked her, "What do you mean in back," and she said, "Well, there is a bookie joint going on back there."

She has a little boy who I suppose is around 12 or 13 years old now and I have known him since before he started going to school, and he came to me and he said, "Mr. Fulford, they have a lot of telephone wires in there. We children were out there playing and they called us some awful names and chased us away." I said, "What were you doing," and he said, "We were peeping through the crack." So Mr. Goldman told me—he says, "You set your watch with mine, and I am going to walk across there and in 5 minutes follow me." We set our watches together and in 5 minutes I walked over there. During the time that he was over there, I don't know what happened. I didn't see it. At the end of 5 minutes I walked over and when I arrived he was talking to a man, and I walked up within about 5 feet and stopped, and of course I heard most of the conversation from there on out.

Mr. HALLEY. Who was talking?

Mr. FULFORD. Mr. Goldman was talking to a man who I learned came out of this building back of the Eight Twenty Bar.

Mr. HALLEY. What was the conversation?

Mr. FULFORD. What had gone on before I don't know. I don't know whether Mr. Goldman identified himself as a deputy sheriff or not, but he asked Mr. Goldman in my presence—he said, "Do you know Mr. Burke and Mr. Branning," and he says, "Yes, I do," and he says, "They are the big shots down there, are they not." I don't know what the reply was. I didn't hear what Mr. Goldman said. But I saw this man Mr. Goldman was talking to write down a name and telephone number, which I later learned was his telephone number.

Mr. HALLEY. Do you know the name of the man that Goldman was talking to?

Mr. FULFORD. If my memory serves me right his name was Hoskins.

Mr. HALLEY. Hoskins?

Mr. FULFORD. Yes.

Mr. HALLEY. Do you know why he wrote this name down; did you hear anything about the reason for writing the name and telephone number down?

Mr. FULFORD. Yes; I did. I heard Mr. Goldman say, "If these fellows are close to you maybe you should give me your telephone number where I can get in touch with you," and he wrote the number and name down on a piece of paper that he took out of his pocket.

Mr. HALLEY. Did you and Goldman make an arrest at that time?

Mr. FULFORD. No; we didn't. We didn't even go into the place.

Mr. HALLEY. Why not?

Mr. FULFORD. Well, my understanding was when I went to the civil department that I was to do civil work except the few times I was called out on Saturday afternoon to go with some member of the criminal division.

Mr. HALLEY. Mr. Goldman was a member of the criminal division?

Mr. FULFORD. No; Mr. Goldman was in the civil department the same as I was. At this particular place the door was locked and we couldn't make an arrest; we didn't see anything on which to make an arrest.

Mr. HALLEY. Did you ever have a conversation with Deputy Hawkins about raiding gambling places?

Mr. FULFORD. He told Mr. Goldman and I one afternoon that we were to lay off of any raids.

Mr. HALLEY. What was the occasion for saying that; what had happened?

Mr. FULFORD. That was over on the beach; we had made a raid over there.

Mr. HALLEY. Who made the raid?

Mr. FULFORD. Mr. Goldman and I.

Mr. HALLEY. Did you make an arrest?

Mr. FULFORD. We did.

Mr. HALLEY. Right after that did you have this talk with Deputy Harkness?

Mr. FULFORD. That's right.

Mr. HALLEY. He said you were not to raid any more gambling places; is that right?

Mr. FULFORD. Yes.

Mr. HALLEY. Did he say where the order came from?

Mr. FULFORD. I don't recall. He stood there and talked a little bit. He seemed to hesitate to hurt our feelings. He said that that was the chief's orders and that we were not to do anything any more.

Mr. HALLEY. You are sure he didn't say that the order came from Sheriff Sullivan?

Mr. FULFORD. He possibly could have said that, but I couldn't say because there is a lot of noise in there, and of course Mr. Harkness is a very old man and he don't talk too loud.

Mr. HALLEY. Did he say that the order had come from someone other than himself?

Mr. FULFORD. Yes; but he didn't say who.

Mr. HALLEY. He did say that they were the orders?

Mr. FULFORD. Yes.

Mr. HALLEY. Did you ever ask Hawkins of the sheriff's office to raid a house of prostitution?

Mr. FULFORD. I talked to him for quite a while; over a year.

Mr. HALLEY. During what period was this?

Mr. FULFORD. It was through 1946 and up until 1947, the day that I resigned.

Mr. HALLEY. Was the place raided?

Mr. FULFORD. It was raided the day I resigned.

Mr. HALLEY. How long after the first complaint was that?

Mr. FULFORD. I had been complaining about it for quite a while: approximately a year.

Mr. HALLEY. Why did you resign? What was the occasion of your resignation?

Mr. FULFORD. The day following this episode at the 820 Bar, Mr. Goldman was fired. He came out to tell me he was fired. Then I went in and asked Sheriff Sullivan could I talk to him a minute, because I figured if Mr. Goldman was fired for something that he did

in line of duty. I was out there too and I wouldn't want to make the same mistake again if I stayed on.

The sheriff refused to talk to me, so I resigned effective then and I remained there until the 1st of November, until he got some men to take our places.

Mr. HALLEY. And then did you get the job you presently hold?

Mr. FULFORD. That is right.

Mr. HALLEY. Is there anything else you know that you would want to tell this committee about the operations of the sheriff's office?

Mr. FULFORD. No. When I was there, I put everything I had into my work, and I went ahead. I had about all I could do anyway. I had a lot of work to do and of course at night during the winter season I worked the two dog tracks.

Mr. HALLEY. Do you know whether Harry Cheetham is still in the sheriff's office?

Mr. FULFORD. I haven't seen Mr. Cheetham in 4 or 5 months. As far as I know, he is.

Mr. HALLEY. And you said that Mr. Goldman is not; is that right?

Mr. FULFORD. That is right. Mr. Goldman was fired the 25th of October 1947.

Mr. HALLEY. Do you know if he is in Miami?

Mr. FULFORD. Yes; he is in Miami.

Mr. HALLEY. Would you be able to give the committee his address?

Mr. FULFORD. Mr. Goldman has moved and I don't know his address, but I know his telephone number because he still has the same telephone number. I just came back off my vacation and he moved just before I left.

Mr. HALLEY. When you leave the witness stand, would you give that number to Mr. Garrett of the committee's staff?

Mr. FULFORD. Yes, sir.

Mr. HALLEY. Have you by any chance noticed either Mr. Goldman or Mr. Cheetham in the courtroom?

Mr. FULFORD. I haven't seen either one of them in here. When I was standing back and looking over the crowd, I didn't see either one of them.

Mr. HALLEY. Following which incident did you resign? I think you testified that Goldman was fired and then you quit. What was it that happened leading to Goldman's being fired?

Mr. FULFORD. I don't know. That is what I went in to ask the sheriff about, but he wouldn't tell me.

Mr. HALLEY. After which of the matters that you testified to did it occur?

Mr. FULFORD. This was the one out on the Trail and Le Jeune Road, at the 820 Club. The next day after that Mr. Goldman was fired.

Mr. HALLEY. What happened at the 820 Club?

Mr. FULFORD. That is where he went back to the back and 5 minutes later I walked back there myself, and he was talking to a man, Hoskins I think was his name, and he was the man who gave Mr. Goldman a name and some numbers on a sheet of paper. I saw it at a distance. I never did look at them.

Mr. HALLEY. I think you testified that Goldman got into an argument with Burke, or that you and Goldman got into an argument with Burke?

Mr. FULFORD. Mr. Burke reported to Mr. Hawkins. That was after this affair at Hodge's place, but that was some time prior to that.

Mr. HALLEY. I have no further questions.

The CHAIRMAN. Senator Hunt, do you have any questions?

Senator HUNT. I have no questions.

The CHAIRMAN. I have no questions, Mr. Fulford. Thank you very much.

Mr. FULFORD. Thank you.

The CHAIRMAN. Mr. Goldman's name has been brought out in this matter and I would like for the staff to see if they can find him. Let's see if we can't present this testimony briefly. Is Mr. Hawkins here?

Mr. HAWKINS. Yes, sir.

The CHAIRMAN. All right. Come around, Mr. Hawkins.

**TESTIMONY OF J. L. HAWKINS, CHIEF CRIMINAL DEPUTY,
SHERIFF'S OFFICE, DADE COUNTY, FLA.**

The CHAIRMAN. Do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. HAWKINS. I do.

The CHAIRMAN. All right, Mr. Halley.

Mr. HALLEY. Did you hear the testimony of the last witness?

Mr. HAWKINS. No, sir. I just arrived.

Mr. HALLEY. Did you ever have occasion to reprimand any of the deputy sheriffs in the sheriff's office?

Mr. HAWKINS. At times.

Mr. HALLEY. What was your position in the sheriff's office?

Mr. HAWKINS. During what years, sir?

Mr. HALLEY. Will you state when you first entered the sheriff's office?

Mr. HAWKINS. January 2, 1945, as a bookkeeper until March of 1946.

Mr. HALLEY. And then what position did you hold?

Mr. HAWKINS. Then I went to the hospital and when I came out from the hospital I was transferred upstairs.

Mr. HALLEY. To what position?

Mr. HAWKINS. Chief criminal deputy.

Mr. HALLEY. How long did you hold that job?

Mr. HAWKINS. Up until this present date.

Mr. HALLEY. You are still chief criminal deputy?

Mr. HAWKINS. Yes, sir.

Mr. HALLEY. Have you ever heard of a man named Thomas Hodges?

Mr. HAWKINS. Yes, sir.

Mr. HALLEY. Will you state whether or not you know whether he is related to Deputy Sheriff Burke?

Mr. HAWKINS. I have heard some hearsay. I couldn't say under oath that I did know it. I heard hearsay of it.

Mr. HALLEY. Bearing in mind that it is hearsay, would you state to the committee what the hearsay is?

Mr. HAWKINS. The hearsay, yes; I believe brother-in-law.

Mr. HALLEY. Did it ever come to your attention that Deputy Sheriff Abe Goldman and Deputy Sheriff S. R. Fulford had been at a restaurant operated by Thomas Hodges and Mrs. Hodges?

Mr. HAWKINS. It was never called to my attention, sir. They worked under the branch of the civil department.

Mr. HALLEY. I will try to restate the testimony that the committee has just heard, in which Mr. Fulford said that he and Goldman visited the restaurant operated by Mr. Hodges and Mrs. Hodges, and that the next day you reprimanded them for going, I think he said, "to that bookie joint."

Mr. HAWKINS. No, sir.

Mr. HALLEY. And he said that you told them to lay off of gambling.

Mr. HAWKINS. No, sir.

Mr. HALLEY. That did not happen?

Mr. HAWKINS. No, sir. May I interrupt?

Mr. HALLEY. Please.

Mr. HAWKINS. If there would be any such thing like that, I would have referred it to the civil department. They didn't get their explicit orders from me. If they were assigned to my department for any such work as investigating gambling, then I would consider them under my command for that particular occasion, but they specifically worked out of the civil department, and I at no time reprimanded any man for making an investigation of any gambling or an arrest in any gambling. In fact, I give them a pat on the shoulder for it.

Mr. HALLEY. Mr. Fulford testified that he complained several times to you about a house of prostitution in operation very close to the place where he resided.

Mr. HAWKINS. I don't know where he resided at that time.

Mr. HALLEY. Did he ever complain to you about a house of prostitution?

Mr. HAWKINS. Any complaints on houses of prostitution were immediately investigated and if arrests were made, which our records will show, arrests were made.

Mr. HALLEY. Would you answer the question? The question was, Did Mr. Fulford ever complain to you about a house of prostitution?

Mr. HAWKINS. That I couldn't say from memory. We had several deputies from there who made complaints. He may have, but I wouldn't remember right now, Mr. Halley—is that your name?

Mr. HALLEY. Yes.

Mr. HAWKINS. I wouldn't remember right now.

Mr. HALLEY. You have no recollection?

Mr. HAWKINS. Not right offhand. We have had numerous complaints, and they were immediately investigated and arrangements made for trying to make an arrest and conviction in the court, which we had plenty of, sir.

Mr. HALLEY. Mr. Fulford said he complained to you off and on about that house and it was finally raided the day or the day after he resigned.

Mr. HAWKINS. What address; may I ask that question?

Mr. HALLEY. I am sorry, but I don't have that information for you, but I am sure Mr. Fulford does.

Is Mr. Fulford in the courtroom?

Aside from the address which I wouldn't expect you to remember, don't you remember whether or not Mr. Fulford over the period of a year complained to you about a house of prostitution?

Mr. HAWKINS. No, sir. Any complaint in regard to houses of prostitution or any complaints of any violation of the law were in-

vestigated as soon as possible; at all hours of the night and the early morning.

Mr. HALLEY. Mr. Fulford, Mr. Hawkins said he doesn't remember whether or not you complained about a house of prostitution, but I think he has indicated that he would like to know the address of the particular place that you had in mind.

Mr. FULFORD. The same place I knocked off; on the corner of Twelfth Street and Seventy-first Avenue SW.

Mr. HAWKINS. They have been arrested half a dozen times.

Mr. FULFORD. That is right.

Mr. HAWKINS. And not from complaints only, but from the people who lived in the neighborhood also.

Mr. HALLEY. Will the records of the sheriff's office show whether it was arrested for 1 year prior to the date that Mr. Fulford resigned?

Mr. HAWKINS. That I couldn't say, Mr. Halley.

Mr. HALLEY. The records show that one way or the other.

Mr. HAWKINS. It is there on the record what date it was. I know I personally conducted two arrests at the place myself.

Mr. HALLEY. Would you check the records and bring them to the committee at your earliest convenience?

Mr. HAWKINS. I would be happy to, sir.

Mr. HALLEY. Thank you.

The CHAIRMAN. That is all.

Mr. HAWKINS. Thank you.

The CHAIRMAN. Is Mr. James Ivo present?

(No response.)

The CHAIRMAN. See if you can find Mr. Ivo.

Meanwhile Mr. Jack Fulenwider will come around.

TESTIMONEY OF JACK FULENWIDER, FORMER INVESTIGATOR FOR CRIME COMMISSION OF GREATER MIAMI

The CHAIRMAN. Do you swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. FULENWIDER. I do.

The CHAIRMAN. Mr. Fulenwider, did you work for the Greater Miami Crime Commission doing investigations at one time?

Mr. FULENWIDER. Yes, sir.

The CHAIRMAN. On what occasion did you have first-hand evidence of some alleged violations and did you report it to somebody; and if so, tell what you saw and what you reported and what happened.

Mr. FULENWIDER. On Monday, February 27, 1950, I was sent on an investigation by Dan Sullivan to investigate two men who were supposed to be either tapping telephone lines or installing telephones in bookies on the beach. I had the information that these men lived at 3799 Northwest Twelfth Terrace in Miami and that they left the house around 9 o'clock in the morning. I went to this address and arrived at the address at 8:20 a. m.

Of the two men that were described to me, one was about 30 years old, 5 feet 11 inches, 185 pounds, with black hair, and had a pock-marked face. The other fellow was about 5 feet 8 inches, about 185, round face, light complexion, slightly bald, and chubby. That is all the description we had on the men.

When we arrived at this address we saw two men come out of the house that answered this description. They got into a LaSalle sedan at 8:20 a. m. and they headed north on Thirty-seventh Avenue to Seventeenth Street NW., east to Twenty-seventh Avenue and north to Twentieth Street and proceeded toward Miami Beach.

The driver of this car was a very wild driver. He really got in and out of traffic, and we lost him at Northeast Second Avenue and Twentieth Street.

The CHAIRMAN. Just give us such details as are necessary to get up to the point.

Mr. FULENWIDER. I picked up the car again in the back of an address, 600 Lincoln Road, where there was a sound company called the Twin City Sound Co. there.

About 10 minutes after we arrived there, these two men came out of the sound company, got in their car, and they started out the alley. At about the same time they started out, the telephone-company truck pulled in and the driver of the truck hollered to them to stop. So they got out in the street and the three men—the man got off the truck and the two men got out of the car there—talked for 3 or 4 minutes.

The truck driver backed his truck up and pulled down an alley in the 700 block on Lincoln Road and the car with the two men followed. I stood there and watched the two men and the truck driver unload telephone equipment—telephones, boxes, different things out of this truck into the automobile for about 15 minutes.

We followed the car then north to Collins Avenue to the San Souci Hotel. They parked in the rear of the hotel and the No. 2 man entered the hotel and the No. 1 man sat in the car a few minutes and then he went in the cabana section of the hotel and they were in there for quite some time, and the one man would carry a box of tools with him.

They came out and went into the Embassy Hotel across the street from the San Souci Hotel with the tools and the equipment. They were only in there a few minutes and then they came out of there.

Both men went into the Sea Isle Hotel at 2:30 p. m. that day, and at 2:40 p. m., 10 minutes after they entered the hotel, the pock-faced boy came back out and got a dial telephone out of his car and went back into the hotel. The one fellow stayed there and this other guy came out and went to an address at 1528 Drexel Avenue, which I believe the property there is owned by Jules Levitt. He was in there for a few minutes and then came out and went to the Bancroft Hotel, all the time carrying his tools in the building or the hotel, whichever he went into.

The CHAIRMAN. Did you see some wire, horse-racing or telephone equipment somewhere, and did you report it? Let's get down to the meat of what you have to say.

Mr. FULENWIDER. I had a telephone investigator with me the next day and we went up by the Sea Isle Hotel and stood outside of Cabana No. 22 and heard results from the races right at 2 o'clock.

We went inside the hotel and I watched this cabana No. 22, and I saw several telephones in there—dial telephones—about three or four dial telephones in there in the cabana and they were making book all right. Everybody had scratch sheets and pencils and when this one fellow spotted me—I think he suspected me—he whispered something to the guy and they closed it up and they told all the patrons to leave and everybody left and went out.

The CHAIRMAN. What was it you reported to the sheriff's office, or to the prosecuting attorney's office?

Mr. FULENWIDER. After I completed this investigation of seeing the actual taking of the equipment right out of the truck, Mr. Sullivan called up Mr. Zarowny of the county solicitor's office and made an appointment for me to come up there and explain the details of it, who investigated that there had been a larceny of a telephone, and the telephone company was advised of this and they were willing to prosecute.

The CHAIRMAN. Was the telephone man with you?

Mr. FULENWIDER. No, sir; not when the actual taking of the equipment was done.

The CHAIRMAN. Did he advise you he was willing to prosecute?

Mr. FULENWIDER. Yes, sir.

The CHAIRMAN. What happened?

Mr. FULENWIDER. I went to the county solicitor's office and I talked to Michael Zarowny, and he was trying to figure out a legal way that could be used so this thing could be handled and to have these men picked up.

He called down to the deputy sheriff's office and, if I am not mistaken, it was Shields. I talked to Shields about it and told him the circumstances, and he informed me that it was a little bit out of his hands and it would have to go to the chief criminal investigator, who was Claude High.

So, I went upstairs to Claude High myself and told him the story, about all that we had seen and he flatly refused to give any aid. He told me that we probably fouled up the investigation so bad that nothing could be done about it and that is where the thing stands right now.

The CHAIRMAN. Did you tell him you were willing to help or do anything that was best?

Mr. FULENWIDER. Yes.

The CHAIRMAN. And that you had the telephone man ready to prosecute?

Mr. FULENWIDER. Yes, sir.

Senator HUNT. Have the telephone people taken any additional interest in this?

Mr. FULENWIDER. I don't know whether they have or not.

Senator HUNT. You don't know whether they are following it up or not?

Mr. FULENWIDER. No, sir.

The CHAIRMAN. That is all. Thank you.

Is Mr. Ivo in the courtroom?

(No response.)

FURTHER TESTIMONY OF S. M. PERKINS, ACCOUNTANT, AND JAMES A. SULLIVAN, SHERIFF, DADE COUNTY, FLA.

Mr. PERKINS. This is the set of books for the night club that started May 2, 1949. I thought you might want to see them.

The CHAIRMAN. What night club?

Mr. PERKINS. Charlie's Inn.

The CHAIRMAN. What is the address of the night club?

Mr. PERKINS. 323 Twenty-third Street, Miami Beach.

The CHAIRMAN. When did it close operations?

Mr. PERKINS. It is not closed. We used these books along with the set of books we gave you yesterday, but we got them so messed up that we decided to keep them over the night club itself to see if we could find out if he was making money or not.

The CHAIRMAN. We will make this journal and ledger an exhibit to your testimony. (Exhibit No. 146. Later returned to witness after analysis by committee.)

Mr. PERKINS. Here is a copy of the income-tax reports and the work sheets and papers from the year 1936 through 1949.

The CHAIRMAN. For whom?

Mr. PERKINS. Charlie and Sam Friedman. (Income tax reports referred to were marked "Exhibit No. 147" and later returned to witness.) Here are the 1950 bank statements and canceled checks through June 1950. (Exhibit No. 148. Later returned to witness.) You said you may want to see them.

The CHAIRMAN. We will endeavor to get these back to you tomorrow noon.

Mr. PERKINS. That is all.

The CHAIRMAN. Sheriff Sullivan. I believe you have completed your general statement. Is there anything you want to add at this time?

Mr. SULLIVAN. Yes, Senator. You just had a man in here that laid an eye of suspicion on me. That was Sam Fulford, who said he was with Abe Goldman.

When I let Abe Goldman go from the civil department—Abe and Sam worked in our civil department—Sam was going to run for constable in district 2, which is this area, downtown area, of Dade County.

After I learned that I was going to have three and possibly more of my men who were going to run for a political office while they were working in my department, I formed a letter and I gave it to the chief of my civil department and the chief of my criminal department and also the chief of my road patrol and I asked them to put this letter in a place where these men who have intentions of running for a public office can read it and the sum and substance of that letter was that if they run for a public office I would probably help them in any way that I might, but that they couldn't remain in my office and go around soliciting people to vote for them and obligate my office and serve papers and not serve papers and killing witness subpoenas, and if they were going to run for these public offices they could go right ahead and announce their intentions to do so, and tell me when they are going to resign from the department. These two men didn't do that. They campaigned everywhere, so I called Abe—he was the one that was doing most of the campaigning for Sam, and I told Abe, I said, "Abe, this morning I am going to let you go." I said, "You read that letter? You have seen that letter?" and I said, "My men have got to respect the office and the orders that I give."

I let Abe go and as he walked out, it wasn't 5 minutes until Sam walked in said, "Sheriff, I'm leaving, too, since you let my partner go. If he is guilty of something, I am."

I said, "O. K., Sam, it's all right. You can stay if you want to."

The CHAIRMAN. So you did talk to him. You didn't refuse to talk to him?"

Mr. SULLIVAN. No. He said, "Well, Sheriff, if you like I will work until the 1st," and I said, "O. K., Sam." To the 1st or the 15th—I don't remember—but it was up to the pay day. I said, "O. K., Sam. That is up to you." He left. That was pertaining to that particular incident.

The CHAIRMAN. Mr. Fulford, I understand, wasn't running for office, was he?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Both he and Mr. Goldman, too?

Mr. SULLIVAN. They were partners; yes, sir.

The CHAIRMAN. They were both running for constable?

Mr. SULLIVAN. One of them was.

The CHAIRMAN. Mr. Fulford was running for constable?

Mr. SULLIVAN. Mr. Fulford was running for constable.

The CHAIRMAN. And Mr. Goldman was not?

Mr. SULLIVAN. No.

The CHAIRMAN. Mr. Goldman got fired first, didn't he?

Mr. SULLIVAN. That is right.

The CHAIRMAN. And then Fulford resigned?

Mr. SULLIVAN. That is right.

The CHAIRMAN. Is there anything else?

Mr. SULLIVAN. Now, this account of the place at Drexel Avenue that you just had brought in here by Jack Fulenwider, I think in due fairness to Shields, who is the deputy sheriff and one of my homicide investigators in the office, he should be brought in here and you should ask him what happened.

In that particular place where the boys went over there, I believe, if I am not mistaken, they took either six or eight telephones on Drexel Avenue. I am not sure. However—this affair that is supposed to have taken place at the 820 Club on Le Jeune Road, I never heard of it before.

The CHAIRMAN. Sheriff, before you testify further, I understand Mr. Goldman has come in and I know in fairness to you you should follow his statement. Perhaps he has some statement that he would like to make. So, will you stand aside just a minute?

Mr. SULLIVAN. Yes, sir.

TESTIMONY OF ABE GOLDMAN, PUBLIC RELATIONS AGENT, MIAMI, FLA.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. GOLDMAN. I do.

The CHAIRMAN. All right, Mr. Halley.

Mr. HALLEY. What is your name and occupation?

Mr. GOLDMAN. Abe A. Goldman, public relations agent, city of Miami.

Mr. HALLEY. Did you ever work for the Dade County sheriff's office?

Mr. GOLDMAN. I did.

Mr. HALLEY. During what year?

Mr. GOLDMAN. 1945 to 1947.

MR. HALLEY. Were you present here in the courtroom when Mr. Fulford testified a little while ago?

MR. GOLDMAN. No; I just got here.

MR. HALLEY. You are here pursuant to a subpoena; is that right?

MR. GOLDMAN. Yes, sir.

MR. HALLEY. May I ask you first, Have you ever had an argument or a fight with Sheriff Sullivan?

MR. GOLDMAN. No, sir.

MR. HALLEY. Do you have any grievance against him?

MR. GOLDMAN. No, sir.

MR. HALLEY. Did you ever have occasion to eat in a restaurant owned by a Mr. Hodges?

MR. GOLDMAN. Yes; I did.

MR. HALLEY. Were you with anybody at that time?

MR. GOLDMAN. Yes, sir, with Mr. Fulford.

MR. HALLEY. Did anything happen while you were in that restaurant?

MR. GOLDMAN. The only thing that happened was that there was a young lady back of the counter, waiting on it, that weighed about 180 or 190 pounds, and she asked if we were from the police department, if we were police officers, and I said, "Do I look like a police officer?" and I said, "If you would like to know, we are out of the sheriff's office," and she said, "I have a brother-in-law that works in the sheriff's office," and I said, "You mean Mr. Burke?" because I knew his relatives were in this place. I said, "You mean old man Burke?" and she said he would resent that because he is very proud of his physical prowess, and I said I was just kidding. "He's a pretty good fellow."

She said, "You know, I would like to have a job like yours," and I said, "What kind of a job?" and she said "Being a policewoman," and I laughed and she said, "What are you laughing at?" and I said, "Damned if you ain't big enough." That was the conversation that took place.

THE CHAIRMAN. Mr. Goldman, this is all tremendously interesting but let's get to the point.

MR. GOLDMAN. That is the only conversation I held over there.

THE CHAIRMAN. All right. Go ahead.

MR. HALLEY. What happened next with reference to that Hodges situation?

MR. GOLDMAN. Mr. Fulford and myself arrived back at the courthouse and we were told by Mr. Harkness, our boss, that the chief criminal deputy, Mr. Hawkins, wanted to see us on the sixth floor.

We immediately went up and he came out of the criminal courtroom and met us in the hall. Hawkins' approach was, "Were you two fellows in the neighborhood of North West North River Drive?" and I said, "We were within the vicinity there getting something to eat. I hope there is no objection as to where we go to get our meals."

He said, "No; just wanted to know about it."

Fulford then spoke and he said, "I guess you know what this is the start of. That is Tom Burke's brother-in-law trying to put the heat under us. I am going to run down and close them up and never let them run as long as I am a deputy sheriff."

Mr. Fulford had some words with him and visited them every day for the next couple of weeks and the doors were kept locked. We kept pretty close check on it.

Mr. HALLEY. Mr. Fulford testified about a conversation he had with Mr. Burke in your presence in the course of the discussion about Hodges. Do you remember anything in addition to what you have already said?

Mr. GOLDMAN. Mr. Fulford was pretty hot about this call from the chief criminal deputy about having been out there and eaten in this restaurant about 20 feet in front of the building that housed that bookie joint. Burke was coming through the courthouse and the sheriff was out of town at the time and he took him back in the sheriff's private office and he told him that Mr. Fulford slapped him down upstairs on the nineteenth floor and that he got up, and if he slapped him down he wouldn't get up and if he didn't leave him alone he was going to stomp him to death in the sheriff's office.

Mr. Burke turned white and said, "I meant no harm, Mate," which was a byword of his.

He said, "I thought possibly you were getting a little something. If you aren't you are damn fools because I am getting mine and if you don't know where to get it, I will take you to some places and I'll show you where to get it and how to get it."

Mr. HALLEY. Get what?

Mr. GOLDMAN. Talking about money.

Mr. HALLEY. Was there any further conversation at that time?

Mr. GOLDMAN. No, sir; not that I recall.

Mr. HALLEY. Do you remember ever going to a dry-cleaning place called the Shack with Mr. Fulford looking for a Buick automobile?

Mr. GOLDMAN. Yes, sir.

Mr. HALLEY. When did that happen?

Mr. GOLDMAN. It happened on the 24th of October, 1947. We had been searching for a car on the beach and everywhere else. It was a 1946 black Buick convertible coupe. Fulford got word that there was a car like that seen in that neighborhood and he had been taking his dry cleaning to the woman that ran this place. I went in with him and he asked the lady if she had seen anybody in that neighborhood that owned a 1946 black Buick convertible coupe, and her answer was, "If anybody in this neighborhood owns a car like that, it is the bookies in back of me." and I said, "Don't tell me you got bookies here, too." and she said, "As if you gents don't know it." and I said, "I certainly didn't know it, and to prove it, I will go back there and knock it off."

I turned to Fulford and I said, "Check your watch against mine and follow me over there in 5 minutes."

In the meantime there was a little boy about 7 or 8 years old, a red-headed fellow—probably this woman's son, and he said, "I can tell you all about it." I said, "How do you know so much about it?" and he said, "We play in the yard and I was there when the telephone company dug the trench and put the cables in for a lot of phones, and I can hear the conversations quite often."

So this woman then said, "That's a fine state of affairs when children are exposed to it that way."

I went back to the place alone and there was a Yale lock on there, one of those flat locks, and knocked on the door and got no answer.

There is a building called the 820 Club that is 20 feet in front of this building both owned by the same man. The man that owned it

used to be in the septic-tank business when—after he was with the zoning department.

He came out of the place and said, "What are you doing here?" I said, "Let me ask you the same question."

Mr. HALLEY. Do you know his name?

Mr. GOLDMAN. I don't recall it, sir. He said, "I run this bar." I said, "Do you run the book in the back?" and he said "No." I said, "Do you know who runs it?" and he said, "Yes," and I said, "Ask him to come out. I want to talk to him."

We went to the bar and called him on the phone. All this time took about 3 or 4 minutes and as this fellow came out of the bookie joint, Mr. Fulford approached me from the other side. They both reached me at about the same time and the man that owned the building walked over and I said, "There are some complaints about you operating a book there; is that true?"

He said, "This is my headquarters for six or eight books that operate in this county."

I said, "I can't go through a locked door, but I'll certainly be back with a search warrant and a fire ax and we will tear that door down."

He said, "Can I talk to you freely?"—this man that owned the building said, "Can I talk freely?" and I said, "Certainly you can talk freely," and he said, "Do you know Burke and Branning?" and I said, "I certainly do."

Mr. HALLEY. Who is Burke?

Mr. GOLDMAN. Tom Burke.

Mr. HALLEY. And Branning?

Mr. GOLDMAN. The sheriff's brother-in-law, one of the deputies.

I said, "Yes, I know them. They are top men."

He said, "Yes, they are. I have made arrangements to operate here and I pay \$100 a month in the summer and \$200 in the winter."

Well, I said, "We will see if you have that kind of protection," and I said, "Why don't you write your name and phone numbers down on a piece of paper so I can turn it over to Mr. Burke and he can offer you that protection," and he wrote his name and numbers down in his own handwriting on a piece of paper for me.

Mr. HALLEY. Did you say \$100 a month in the summer?

Mr. GOLDMAN. Yes, and \$200 a month in the winter.

Mr. HALLEY. Where were they taking that?

Mr. GOLDMAN. Burke and Branning; that was his statement.

Mr. HALLEY. What did you do with that piece of paper upon which he wrote his name and the phone numbers?

Mr. GOLDMAN. I have them wrapped in a piece of cellophane in my pocket.

Mr. HALLEY. Would you present it to the committee?

Mr. GOLDMAN. Yes, sir. [Handing paper.] There is the date on the back of it.

Mr. HALLEY. One of the committee's staff asked you if you had any evidence?

Mr. GOLDMAN. Yes, sir.

Mr. HALLEY. And you found this?

Mr. GOLDMAN. Mr. Garrett asked me. I kept that in my possession.

Mr. HALLEY. I offer this in evidence, Mr. Chairman.

The CHAIRMAN. That will be exhibit No. 149. (On file with committee.) That is a piece of paper at the top of which it says "Hoskins 48-9612" and what is the other?

Mr. GOLDMAN. Emmett or Eddie; they are two brothers.

The CHAIRMAN. Emmett or Eddie, 48-9091; home, 9-4710.

Is that date correct? October 24?

Mr. GOLDMAN. Yes.

The CHAIRMAN. On the back is 10-24-47. And here is something else written on it—4-9169 c/o—I can't read the balance of it.

Mr. GOLDMAN. That was another book we located on the next corner from there.

The CHAIRMAN. We will take good care of this, Mr. Goldman.

Mr. GOLDMAN. The reason I remember that date so well is that the following morning I was fired.

Mr. HALLEY. What happened the following morning?

Mr. GOLDMAN. The sheriff called me in his office and he said, "I am sorry, but we are going to reduce our personnel."

Mr. HALLEY. Were you running for constable at that time?

Mr. GOLDMAN. No, sir.

Mr. HALLEY. Was Mr. Fulford running?

Mr. GOLDMAN. No, sir; he hadn't made up his mind whether he would be a candidate or not.

Mr. HALLEY. Had he announced for his candidacy?

Mr. GOLDMAN. No, sir.

Mr. HALLEY. You didn't resign, did you?

Mr. GOLDMAN. No, sir.

Mr. HALLEY. What happened?

Mr. GOLDMAN. The sheriff just called me and said, "We are reducing our personnel," and then I said, "It seems strange it would be me because there have been men put on since me," and he said, "Well, if you will sign a resignation, I will give you 2 weeks pay in advance."

I said, "I am not resigning, so there's no need to sign one."

He said, "I will take your commission," and I tossed it over on his desk, and then I started out the door and he said, "I will take your badge, too," and I said, "The only way I will give that up is for somebody to take it because I had it for 14 years. D. C. Coleman presented that to me and I'm not giving it up." And I told him that in my opinion I was being fired for enforcing the law.

Mr. HALLEY. What happened then?

Mr. GOLDMAN. As I came out—

The CHAIRMAN. What did he say about it?

Mr. GOLDMAN. He didn't answer that. He said that is it.

The CHAIRMAN. What is it?

Mr. GOLDMAN. That was the end of the conversation. When he came out, Mr. Fulford was there and I said I just got fired and he said, "That finishes me, too." But I don't know what happened up there.

A newspaperman came over to me later and said, "How about a statement?" and I said, "You can get your statement from the sheriff."

That afternoon the front pages came out and said that Goldman had resigned effective immediately. It said that Fulford was to run for office and I was to be his campaign manager. I called John T. Bills on the phone and told him I would like to tell the truth about it and refute what the papers had said. He went on the air at 6:30

that night and I said that the sheriff had made a misstatement. I did not resign. I had been fired and in my opinion for enforcing the law.

Mr. HALLEY. You said that on the radio?

Mr. GOLDMAN. Mr. Bills did it in my behalf.

Mr. HALLEY. Were you present?

Mr. GOLDMAN. No, sir. I was listening to the radio.

Mr. HALLEY. What station?

Mr. GOLDMAN. WQAM.

Mr. HALLEY. Do you know Deputy Sheriff Harkness?

Mr. GOLDMAN. Yes, sir.

Mr. HALLEY. What is his full name?

Mr. GOLDMAN. A. G. "Al."

Mr. HALLEY. Was he the former chief of the civil division?

Mr. GOLDMAN. Yes, sir. He was the man we worked under.

Mr. HALLEY. Did he ever give you any orders concerning gambling?

Mr. GOLDMAN. He only gave us instructions one time. I think it was the first or second raid on the beach. The time we made one we were called to the nineteenth floor by the chief of the criminal division and he wanted to know why we made this raid. We had a very peculiar detail. We had to go out in the county on writs of possession and so on, not knowing where these books were and if we found them we were to bring them back.

Mr. Harkness said, "The chief just told me to tell you fellows that you were not to make any more raids, and not to let you know that the orders came from him, but to be sure that it came from me. That that was your position." He said, "I told the sheriff I thought you men were too intelligent to swallow that, but I would give the order but I certainly didn't think you would believe them."

I said, "Mr. Harkness, what would you do under those circumstances," and he said, "I would carry out my oath of office."

Mr. HALLEY. Is there anything else you want to tell this committee, Mr. Goldman?

Mr. GOLDMAN. No, sir. I didn't relish telling anything. I was sent for and I have answered your questions.

The CHAIRMAN. Mr. Goldman, you didn't hear Mr. Fulford testify?

Mr. GOLDMAN. No, sir.

The CHAIRMAN. You came in right afterward.

Mr. GOLDMAN. I just got here a few minutes ago.

The CHAIRMAN. How old are you?

Mr. GOLDMAN. 57.

The CHAIRMAN. Are you married and have you lived here a long time?

Mr. GOLDMAN. Born and raised in this State.

The CHAIRMAN. Do you have your home here?

Mr. GOLDMAN. I have my home, two children and a grandson.

The CHAIRMAN. Have you ever been in any kind of trouble before?

Mr. GOLDMAN. No, sir; no more than traffic violations.

The CHAIRMAN. And you are now the director of public relations for the—

Mr. GOLDMAN. No, I am public relations agent for the city in the engineering department.

The CHAIRMAN. Of the city of Miami Beach?

Mr. GOLDMAN. No, the city of Miami.

The CHAIRMAN. That is all I have to ask.

Senator Hunt.

Senator HUNT. I haven't anything.

The CHAIRMAN. Did you follow up on this telephone installation?

Mr. GOLDMAN. Yes, sir. I reported them to Mr. Tucker, the manager of the telephone company, and they were removed several days later.

The CHAIRMAN. They were removed from the bookie joint?

Mr. GOLDMAN. Out of that place.

The CHAIRMAN. A day or two after you were discharged?

Mr. GOLDMAN. Yes, sir.

The CHAIRMAN. I believe that is all, sir. We thank you.

TESTIMONY OF ALISTAIR G. HARKNESS, DADE COUNTY, FLA.

The CHAIRMAN. Mr. Harkness, do you solemnly swear that the testimony you will give the committee will be the whole truth and nothing but the truth, so help you God?

Mr. HARKNESS. I do.

Mr. HALLEY. Is your full name Alistair Harkness?

Mr. HARKNESS. That is right.

Mr. HALLEY. Were you formerly in the civil department of the sheriff's office in Dade County?

Mr. HARKNESS. Yes. I have been for the past 16 years.

Mr. HALLEY. Are you still?

Mr. HARKNESS. No, not now.

Mr. HALLEY. Did you resign?

Mr. HARKNESS. No, I haven't resigned. I was very sick last year and I couldn't get the work done any longer, so the sheriff kept me in another capacity.

Mr. HALLEY. Were you in the courtroom to hear part of the testimony of Mr. Goldman who just testified?

Mr. HARKNESS. Yes, sir. I sat right over there.

Mr. HALLEY. Did you hear him testify with reference to yourself?

Mr. HARKNESS. Yes, I heard what he said.

Mr. HALLEY. Is that testimony true or untrue?

Mr. HARKNESS. The testimony is true. I told both Mr. Goldman and Mr. Fulford that the sheriff had instructed me that I was to tell them to lay off on any raids as we had enough civil work in the office for them to devote all their time to. That is what I told them. I said, "Those are instructions from the sheriff."

Mr. HALLEY. Is there anything else you want to say in that connection?

Mr. HARKNESS. There is nothing else. I don't know how far they went with it because I was assigned to the civil department and I had no time for criminal work.

Mr. HALLEY. That is all.

The CHAIRMAN. That is all. Thank you, Mr. Harkness.

Has Mr. Ivo gotten in yet?

(No response.)

The CHAIRMAN. We can't wait for Mr. Ivo.

Sheriff Sullivan, will you come around and we will not interrupt your testimony any more.

FURTHER TESTIMONY OF JAMES A. SULLIVAN, SHERIFF, DADE COUNTY, FLA., ACCOMPANIED BY RICHARD M. HUNT, ATTORNEY

The CHAIRMAN. Sheriff, you were telling us about Mr. Goldman or some matter such as that and you have heard the further testimony that has been brought out before the committee. Do you have any comment about that?

Mr. SULLIVAN. I do have.

The CHAIRMAN. All right, sir.

Mr. SULLIVAN. We just had to put on a number of more men in our civil department to try to take care of our civil work. We had quite a time keeping our men who are employed for certain work to go ahead and do that work.

All the men that are employed in the sheriff's department have orders that regardless of what department they work in, if they see a violation of the law, such as a felony, they are to make an arrest and bring the case in to the court and let the court dispose of it. That is, all my men, whether in the civil or criminal or on the road patrol. But for my men to try to spend most of their time not taking care of the work that they have to do, you must draw a line somewhere. So what are you going to do?

The job that those men had—the full job of carrying out the processes of the court, of our civil court and the circuit court—mostly civil courts—

The CHAIRMAN. Do you know this handwriting, Sheriff [handing Exhibit No. 149 to witness]?

Mr. SULLIVAN. I don't know that I do. I don't know that I ever saw it before, Senator.

The CHAIRMAN. Who is Hoskins? And what are those other two names?

Mr. SULLIVAN. Hoskins and Emmett or Eddie. That I don't know. I know there used to be a Hoskins out at Seventeenth Avenue and West Flagler Street. They run a beer place on the corner which would be the northeast corner of the intersection, but outside of that Hoskins, I wouldn't know. I probably would know them if I did see them, but I don't know them from that.

The CHAIRMAN. Who was it that said this man was related to somebody?

Mr. SULLIVAN. I have a deputy sheriff named Branning. That is the one you are speaking of, that is related to me.

The CHAIRMAN. Your brother-in-law?

Mr. SULLIVAN. He married my sister, yes.

The CHAIRMAN. You have said earlier that Mr. Goldman said you fired him because of reduction in force. That is what he said you fired him for, the day following this raid or this visit with this place. You said you fired him because he was participating in a race for constable on behalf of Mr. Fulford?

Mr. SULLIVAN. That is right. I have the letter in my department down in my office somewhere.

The CHAIRMAN. That is a letter that you wrote?

Mr. SULLIVAN. Yes.

The CHAIRMAN. These gentlemen said Mr. Goldman was not running for constable and that Mr. Fulford hadn't made up his mind.

Mr. SULLIVAN. He was campaign manager and they had made up their minds to run before and which they did run.

The CHAIRMAN. Were you apprised of this visit out to the place where they got this number?

Mr. SULLIVAN. No, sir.

The CHAIRMAN. On the day you called them in?

Mr. SULLIVAN. No.

The CHAIRMAN. You don't think it is coincidental your firing of them happened to come the day after?

Mr. SULLIVAN. No, sir. I didn't know anything about it whatsoever.

The CHAIRMAN. Then you do think it is coincidental?

Mr. SULLIVAN. There is no connection.

The CHAIRMAN. It is an unusual circumstance.

Mr. SULLIVAN. There is no connection.

The CHAIRMAN. All right, sir. Is there anything else, Sheriff?

Mr. HALLEY. Sheriff Sullivan, did you hear the testimony of Burke yesterday with respect to a man named Crosby?

Mr. SULLIVAN. Yes; I did.

Mr. HALLEY. Would you tell the committee what happened with reference to Crosby?

First, when did Crosby first come to your office?

Mr. SULLIVAN. Well, I can't tell you the date. I wouldn't be familiar with the dates, but it was some time in the season of the year—in the winter season of the year.

Mr. HALLEY. Mr. Burke thought it was in January of 1949.

Mr. SULLIVAN. It could have been. Maybe it was.

Mr. HALLEY. That is W. O. Crosby; is that right?

Mr. SULLIVAN. I believe it is Bing Crosby.

Mr. HALLEY. His nickname is "Bing" Crosby?

Mr. SULLIVAN. That is right.

Mr. HALLEY. And he came to your office; is that right?

Mr. SULLIVAN. He came to my office; yes.

Mr. HALLEY. What did he tell you?

Mr. SULLIVAN. He came in the office and said that he would like to talk with me, and I said "O. K." He said he would like to talk to me in private, and I said "Fine." So we walked over in the southeast corner of the nineteenth floor in the sheriff's department and sat down and he handed me a letter signed by our Governor, Fuller Warren, instructing me to cooperate with Crosby in any gambling that was found in Dade County. He would appreciate the cooperation of my office.

Mr. HALLEY. Do you have a copy of that letter?

Mr. SULLIVAN. I may have in my office.

Mr. HALLEY. Do you have the original of it?

Mr. SULLIVAN. I probably do.

Mr. HALLEY. You brought a lot of records in here this morning. That is one matter that was testified to yesterday. Didn't it occur to you and your counsel that the committee might be interested in that subject?

Mr. SULLIVAN. Well, I had these letters here and I was right here all day with you, so—

Mr. HALLEY. In any event, the letter asked you to cooperate with Crosby?

Mr. SULLIVAN. It did.

Mr. HALLEY. Will you produce that letter for the committee as soon as possible?

Mr. SULLIVAN. I will. (Letter referred to entered as exhibit No. 150. Later examined and returned to witness.)

Mr. HALLEY. Did it specify what kind of gambling or did it just say gambling in general?

Mr. SULLIVAN. Gambling in general, I believe.

Mr. HALLEY. Are you sure?

Mr. SULLIVAN. I am not sure; I believe.

Mr. HALLEY. Was there any special reference to slot machines?

Mr. SULLIVAN. No; not that I can remember. The letter will state that when I get it, but I don't think there was.

Mr. HALLEY. What did Crosby say?

Mr. SULLIVAN. "Here is a letter from the Governor." He said, "I have been here in town for some time and I do find that there is gambling going on in quite a number of places in Dade County."

Mr. HALLEY. He came right after January 1949; is that right?

Mr. SULLIVAN. I don't know what date he came. I certainly can't tell you that.

Mr. HALLEY. What happened next with reference to Mr. Crosby?

Mr. SULLIVAN. He asked me would I give him some men to go with him to see if there was gambling at these places, and I said, "I certainly will." I said, "Not only that, but I will send many more men over there," and I called in a couple of men. I don't remember the first men I sent out with Crosby, whether it was Burke the first time or whether it was Patton—I am sorry. I can't tell you which ones, but it was two men, I believe, the first time or the second time, maybe.

He had information of some places and they did make arrests. Also, my men who I had sent over there, most of them made quite a number of arrests.

Mr. HALLEY. Did Crosby or Burke report back to you?

Mr. SULLIVAN. They came back—I don't know whether it was the next morning or three or four or five mornings later. I can't say about the reporting back because he was to go and if they saw gambling, to bring them in.

Mr. HALLEY. How long did Crosby stay on the job?

Mr. SULLIVAN. I don't know.

Mr. HALLEY. I mean in the Miami Beach area, looking for gambling?

Mr. SULLIVAN. I can't say. He was back in here and out from time to time.

Mr. HALLEY. Isn't it a fact that he gave up after just a few days?

Mr. SULLIVAN. Oh, no.

Mr. HALLEY. Are you sure?

Mr. SULLIVAN. I am positive; yes. I don't know how long he was investigating the gambling.

Mr. HALLEY. What other men did you send out with him besides Burke?

Mr. SULLIVAN. Well, definitely, Mr. Halley, I can't tell you. I don't know.

Mr. HALLEY. Did you send them out with any other men?

Mr. SULLIVAN. I did.

Mr. HALLEY. You did?

Mr. SULLIVAN. Yes, sir. I don't know whether it was Patton or Shields or McElroy. I don't know who it was.

Mr. HALLEY. Will your records show?

Mr. SULLIVAN. They would show the arrests; yes, sir.

Mr. HALLEY. How many arrests did Crosby make?

Mr. SULLIVAN. Mr. Crosby didn't make any arrests.

Mr. HALLEY. How many arrests did your men make on the basis of the investigation conducted with Crosby?

Mr. SULLIVAN. Well, definitely, I couldn't tell you but—I am not up there all the time.

Mr. HALLEY. You have presented some very exhaustive records to the committee. Don't you have records that would show that?

Mr. SULLIVAN. Oh, yes. We have some of the records, the end sheets, in our jail.

Mr. HALLEY. Will you bring those records in?

Mr. SULLIVAN. The end sheets?

Mr. HALLEY. I mean the records which will show what arrests were made on raids where Crosby was present.

Mr. SULLIVAN. I can't say if there was. I can't say if there was. I can't say how many were made while he was here, whether 5 or 10, or what they were. My office is in the civil department, on the first floor of the courthouse, and the criminal department is on the nineteenth floor.

Mr. HALLEY. Mr. Burke indicated yesterday that Mr. Crosby's methods were very crude and that he was violating the law in making his arrests, and that the whole investigation was very unsatisfactory from his point of view. Did he ever complain to you about it?

Mr. SULLIVAN. Well, Burke did say, "Sheriff, I can't get this information and make these arrests without warrants."

He said, "I want to get warrants to where we won't be—where our office will be taken care of and we won't be sued."

Mr. HALLEY. Did he say anything else?

Mr. SULLIVAN. I said, "You can take care of the office and you don't have to break any doors down, unless you have a warrant to break the doors down, or unless you take the gamblers from public property."

Mr. HALLEY. Burke testified that he never went out on any more raids with any warrants for arrests with Mr. Crosby; isn't that so?

Mr. SULLIVAN. Mr. Halley, I can't tell you definitely about that. He may have and he may not have.

Mr. HALLEY. Did you hear him testify?

Mr. SULLIVAN. I heard him testify.

Mr. HALLEY. Did you think he was telling the truth?

Mr. SULLIVAN. He could have been. I won't say he wasn't telling the truth. I imagine he was.

Mr. HALLEY. Have you ever known him not to tell the truth?

Mr. SULLIVAN. I can say this here: When we wanted something really torn up, he was the man that we could depend on to tear it up.

Mr. HALLEY. Burke?

Mr. SULLIVAN. That is right.

Mr. HALLEY. Was his work that satisfactory?

Mr. SULLIVAN. It was.

Mr. HALLEY. As I understand it, he was forced into a resignation last year, in the middle of 1949; is that right?

Mr. SULLIVAN. Well, he wasn't forced into what you call a resignation.

Mr. HALLEY. Well, he was let to know that he was unwelcome, wasn't he?

Mr. SULLIVAN. Well, I talked with Tom a couple of times. He came in one day and said, "Sheriff, I am going to take off for a while."

Mr. HALLEY. What did you talk to him the time before he decided to take off?

Mr. SULLIVAN. As I say, I have around 100 men working around there, and my men go ahead, and they have their automobiles. They have their Fords, Chevrolets, and Plymouths. Tom has a Dodge.

Mr. HALLEY. Didn't he have a Chrysler?

Mr. SULLIVAN. I think it was a '46 Dodge. I heard him testify it was a '44, and I heard him testify it may have been a '45.

Mr. HALLEY. And then he testified that he had a '48 Chrysler?

Mr. HUNT. He will tell you, if you let him finish his answer.

Mr. HALLEY. Mr. Hunt, we are getting along fine.

Mr. SULLIVAN. I believe it was a '46 Dodge that Tom had, and he traded that car for this Chrysler, and Tom was always on the job early in the morning. He would come down and get our criminal records from the criminal court, and he would have everything all set up when most of the other people would get down there. He was down there early and took a pride in working the criminal court. That is Judge Ben Willard's court.

So I just talked to Tom, and I said, "What did you buy such a big automobile for? The rest of my men don't feel like taking on a car like that, and it just kind of makes it hard on me and the other boys."

He said, "Sheriff, I bought this car, and I traded my other car on it as a down payment."

I said, "Yes, but the payments are kind of high."

He said, "That is true, but I am getting \$75 a month to operate this car."

We had cars in our department that we own, which our men also used at night with radio communications, and his own individual car or the boys' individual cars didn't have radio communications. So that was it, and Tom said, "I am going to resign."

Mr. HALLEY. And you were mad about his having spent a lot of money for an automobile?

Mr. SULLIVAN. It didn't look right.

Mr. HALLEY. Why?

Mr. SULLIVAN. You understand why it doesn't look right.

Mr. HALLEY. I would like to have you say why.

Mr. SULLIVAN. I believe Tom was making \$350 a month.

Mr. HALLEY. \$250 or \$350.

Mr. SULLIVAN. His salary was, I think, \$275 and \$75 for his car.

Mr. HALLEY. For operating expenses?

Mr. SULLIVAN. That is right.

Mr. HALLEY. But that had to cover his actual expenses of gas and otherwise; is that right?

Mr. SULLIVAN. That is true.

Mr. HALLEY. And the chances are that he spent a good deal of that \$75 in actually running the car?

Mr. SULLIVAN. I am telling you that we furnished two-way cars for most of our boys and particularly when they owned these cars and

went out on these investigations and raids, they would have to have communications with the office from time to time, to look up different parts of the investigation that are in the office.

Mr. HALLEY. His salary was \$275 a month; is that right?

Mr. SULLIVAN. I believe it was.

Mr. HALLEY. And you thought it didn't look right for a man earning \$275 a month to have bought a new, expensive automobile; is that right?

Mr. SULLIVAN. That is true. However, I will say this: Tom was a very conservative man and his home and his yard looked like they had perfect care at all times. He really had his yard beautiful, with beautiful plants all over. He specialized in different kinds of plants.

Mr. HALLEY. That is why he quit; because you argued with him about the automobile?

Mr. SULLIVAN. I suppose that is it.

Mr. HALLEY. We will get back to that in a moment. Do you remember hearing former Deputy Sheriff Howden testify?

Mr. SULLIVAN. Yes.

Mr. HALLEY. Do you remember his having said as a part of his statement that Deputy Burke was resigning because you had bawled him out for having bought an expensive automobile? Do you remember hearing that?

Mr. SULLIVAN. I heard something about his being mad about something.

Mr. HALLEY. Do you remember seeing Deputy Burke get on the witness stand and say that he disagreed with the facts as Mr. Howden stated them?

Mr. SULLIVAN. Yes; I do.

Mr. HALLEY. Would you disagree with Mr. Howden's statement that you had reprimanded Burke severely for having bought an expensive automobile?

Mr. SULLIVAN. No; I didn't reprimand him severely.

Mr. HALLEY. Do you mean you chided him gently?

Mr. SULLIVAN. I just told him that it isn't right. I told him I didn't think he should buy this big car, and I frankly thought he ought to get rid of it.

Mr. HALLEY. But you didn't reprimand him severely?

Mr. SULLIVAN. No.

Mr. HALLEY. Burke is a man who had lived an outdoor life, and he is not a sensitive soul, is he, Sheriff?

Mr. SULLIVAN. Mr. Halley—

Mr. HALLEY. What I am getting at is why did he resign?

Mr. HUNT. Please let him finish his answer.

Mr. HALLEY. I am trying to help him.

Mr. HUNT. You don't have to help him.

The CHAIRMAN. Just a minute, Mr. Hunt. Sheriff Sullivan is testifying and I think we are getting along pretty well except that we are going awfully slow, so let's try to get along with the testimony.

Mr. SULLIVAN. Yes, Mr. Halley?

Mr. HALLEY. All I am trying to get at is if it was a very gentle reprimand, why did Burke quit?

Mr. SULLIVAN. Well, I didn't curse at him or I didn't shout at him. It is not my policy to do that.

Mr. HALLEY. When did Burke quit? It was in the middle of 1949, wasn't it?

Mr. SULLIVAN. I believe you have the date there.

Mr. HALLEY. Around June, 1949; is that right?

Mr. SULLIVAN. It was some time around that date.

Mr. HALLEY. Why did you wait a year to reprimand him for something—for having bought an automobile in 1948?

Mr. SULLIVAN. That is what I am telling you about this. I reprimanded Burke right after he bought the car.

Mr. HALLEY. You said he quit right after you reprimanded him and he testified he bought the car in 1948.

Mr. SULLIVAN. He didn't quit after I reprimanded him. He did work and said, "Sheriff, I am going to take off. I've got some work I have to do in my home down here and I am going to go and take care of my grove."

Mr. HALLEY. He waited a year to quit?

Mr. SULLIVAN. I don't know how long it was.

Mr. HALLEY. You say Tom said he was going to take care of his grove?

Mr. SULLIVAN. That is right. He said he had some work he had to do.

Mr. HALLEY. He said that he didn't buy the grove until June of 1949, I believe.

Mr. SULLIVAN. I can't be specific or definite about those dates because it was just purely a reprimand about buying the car and having all my other men out there saying, "I can't buy that kind of a car."

Mr. HALLEY. You reprimanded him after he bought the car, didn't you?

Mr. SULLIVAN. I did.

Mr. HALLEY. That that was about a year and a half later?

Mr. SULLIVAN. I don't know when he quit, but that is when it was.

Mr. HALLEY. Something else happened, though, to cause him to quit. You asked for his resignation, and there was a reason for it, wasn't there?

Mr. SULLIVAN. No, it was all about the car.

Mr. HALLEY. Was there more than we already have?

Mr. SULLIVAN. Not that I know of, no.

Mr. HALLEY. Deputy Hawkins was in charge of the criminal side of your office?

Mr. SULLIVAN. Howden was my chief criminal deputy until he got sick and went to the hospital. He was sent to the hospital by Dr. Chambers and Dr. Thomas.

Mr. HALLEY. When was that?

Mr. SULLIVAN. I am sorry, but I can't give you the definite date.

Mr. HALLEY. Wasn't it about the same time that Burke quit?

Mr. SULLIVAN. No, I don't believe so. However, he was in the hospital and we didn't think he would ever recover. It was something he got in the First World War.

Mr. HALLEY. Wasn't there really some trouble growing out of the Crosby visit? Didn't some friction arise between Crosby and the people who had sent him and Burke as a result of which Burke was asked to resign and Hawkins relieved of his job?

Mr. SULLIVAN. In no way.

Mr. HALLEY. Didn't Crosby leave the Miami area within a very short time after he arrived in January of 1949?

Mr. SULLIVAN. Well, I guess he left, but he was back several times.

Mr. HALLEY. Didn't you send word to the Governor of Florida that you were responsible for law enforcement in Dade County and that you didn't want Crosby making gambling pinches in Dade County?

Mr. SULLIVAN. No, sir; because if I remember, he didn't make any gambling pinches in Dade County.

Mr. HALLEY. He tried awfully hard though, didn't he?

Mr. SULLIVAN. Whether or not he tried he had no authority to make gambling pinches in Dade County. He told the officers to do it.

Mr. HALLEY. He had Burke with him, didn't he?

Mr. SULLIVAN. I think Burke was with him on three, four, or five occasions and if Burke wasn't there he took another man from the office. Whoever was there he got.

Mr. HALLEY. How many times did he ask the office for help after I think the three occasions that Mr. Burke mentioned?

Mr. SULLIVAN. Well, I don't know that—that is kind of hard to say. I don't know how I will be able to tell you.

Mr. HALLEY. Isn't it a fact that Mr. Crosby just stopped trying to get any further help from the sheriff's office of Dade County in finding gamblers and arresting them?

Mr. SULLIVAN. No. If I remember right—I don't remember if he was down here in March—he was here in February and March several times.

Mr. HALLEY. Was there a man named Bowers?

Mr. SULLIVAN. I don't know any name, any man named Bowers.

Mr. HALLEY. Did you ever hear of a man named Bowers?

Mr. SULLIVAN. I heard of him, George Bowers.

Mr. HALLEY. You heard of him?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. Wasn't he down here with Crosby?

Mr. SULLIVAN. Well, he could have been. I didn't know.

Mr. HALLEY. Do you know a man named John Rush?

Mr. SULLIVAN. I know John Rush.

Mr. HALLEY. Did you ever talk to John Rush about Crosby?

Mr. SULLIVAN. I could have. I don't remember it definitely.

Mr. HALLEY. Will you search your memory and state to the best of your recollection whether you talked to John Rush about Crosby?

Mr. SULLIVAN. It possibly could have been. As I say I don't remember any details. If you would read the details you have there maybe I could tell you.

Mr. HALLEY. You know you did, don't you?

Mr. SULLIVAN. I talked to John Rush.

Mr. HALLEY. About Crosby.

Mr. SULLIVAN. I don't know as I said.

Mr. HALLEY. You don't know you didn't?

Mr. SULLIVAN. I don't know whether I did or not. I don't remember.

Mr. HALLEY. Is that the best answer you can give?

Mr. HUNT. He has given his answer.

Mr. HALLEY. Please let the witness answer.

Mr. HUNT. I don't think he has a right to grill the witness time after time on the same proposition.

The CHAIRMAN. Well, Mr. Hunt, I think Sheriff Sullivan is quite able to take care of himself in this colloquy between Mr. Halley and himself.

Mr. HALLEY. Isn't it a fact that you told Mr. Rush to get Crosby off your county and not to let him interfere with gambling establishments in your county; that if they were to be raided and arrested you would make those raids and arrests from your own office?

Mr. SULLIVAN. I don't remember telling Mr. Rush that.

Mr. HALLEY. Are you sure you didn't tell him that?

Mr. SULLIVAN. I don't like anybody coming into my county and picking out people to be arrested or anything like that, but I don't remember telling Mr. Rush, or, in fact, I don't remember talking to Mr. Rush about Crosby.

Mr. HALLEY. Are you able to say definitely that you never talked to Mr. Rush about Crosby?

Mr. SULLIVAN. It is possible that I could have. I don't remember the details of it, Mr. Halley. You might ask Mr. Rush. He might tell you.

Mr. HALLEY. How about Bowers; do you know Bowers?

Mr. SULLIVAN. I don't know Mr. Bowers.

Mr. HALLEY. You have heard of him?

Mr. SULLIVAN. Oh, yes.

Mr. HALLEY. Isn't it a fact that when Mr. Crosby returned to the Miami area about January he was with Mr. Bowers and they were working together?

Mr. SULLIVAN. It could have been, but that is something I never knew of.

Mr. HALLEY. When you say "It could have been," you mean somebody told you about it?

Mr. SULLIVAN. I say it could have been. Nobody told me about it anyway. I say it could have been because I don't know one way or another. The only time I saw Mr. Crosby when he was here in our town is when he came to my office and maybe we would go and eat occasionally; that is all.

Mr. HALLEY. Did you ever mention to anybody whatsoever that you didn't want Crosby interfering with law enforcement in Dade County?

Mr. SULLIVAN. Well, I don't know that I did. However, there is a possibility, because I like to run my own office. I was elected by the people of Dade County to run my own office; and, regardless who it is, if they come in there to help me I am going to help them, but I don't remember ever making the remark of that kind.

Mr. HALLEY. When Crosby first came to your office he had a map with him; did he not?

Mr. SULLIVAN. I never saw it.

Mr. HALLEY. Didn't he show you a map?

Mr. SULLIVAN. He showed a letter from the Governor.

Mr. HALLEY. Did he show you a map, too?

Mr. SULLIVAN. I never saw the map.

Mr. HALLEY. The locations he went to were S. & G. Syndicate locations; were they not?

Mr. SULLIVAN. That I can't tell you, because I don't know.

Mr. HALLEY. Did he ever complain to you about the fact that on two occasions when he and Burk arrived at the scene of the place they were going to raid, either immediately or shortly afterward, the

attorney for the S. & G. Syndicate, Ben Cohen arrived on the scene?

Mr. SULLIVAN. I heard testimony to that effect here yesterday.

Mr. HALLEY. You never heard that before?

Mr. SULLIVAN. I heard it at the time the arrests were made; yes.

Mr. HALLEY. Did you ever make any attempt to find out how Mr. Ben Cohen was able to get information so soon?

Mr. SULLIVAN. Well, I don't know. I believe Burk said that they were called?

Mr. HALLEY. That who was called?

Mr. SULLIVAN. That Mr. Cohen was called.

Mr. HALLEY. By whom?

Mr. SULLIVAN. I suppose one of the people there in the apartments.

Mr. HALLEY. Did you ever investigate how this happened?

Mr. SULLIVAN. The arrests on these things are made and the men are brought into our office. As I said, I am upstairs part of the time and part of the time downstairs. This county is about 65 miles long and about 40 miles wide, and I have many things to do, outside of gambling only, in our county. We have other laws that are violated and that we have to work on, which we try to do. I have a criminal-investigating department upstairs. I know that I use my full investigating department.

Mr. HALLEY. Getting back to the question, did you ever investigate how the attorney for the S. & G. Syndicate was able to get to the scene of the arrests so soon so that he was there almost as fast as your people on the scene?

Mr. SULLIVAN. Well, I wouldn't know that unless whoever was arrested, which is customary, whoever is arrested, call their attorney right immediately and they also call whoever is their bondsman to meet them, and their bondsman meets them upstairs on the nineteenth floor when they are brought up.

Mr. HALLEY. There was no testimony that the attorney was called by the person arrested. The testimony was that Mr. Cohen in one case walked in almost immediately, and in the other case was there to greet them.

Mr. SULLIVAN. That could be.

Mr. HALLEY. Would that be investigated if it came to your attention?

Mr. SULLIVAN. It could be, but——

Mr. HALLEY. Was it?

Mr. SULLIVAN. At the present time I don't believe that it was, or, rather, I don't see anything there was pertaining to my department to investigate the thing. The arrest was made or an attempt to arrest was made.

Mr. HALLEY. For 1 minute, to get back to Mr. Fulford; do you remember whether he resigned or was fired?

Mr. SULLIVAN. Well, I——

Mr. HALLEY. Do you recall the testimony now? Mr. Fulford said that as Goldman walked in he was fired, and then Mr. Fulford testified he resigned.

Mr. SULLIVAN. That is what happened. He said, "Sheriff, what he had done I done, and I will resign, too."

Mr. HALLEY. Goldman, you told the chairman, was not the man who was running for office.

Mr. SULLIVAN. That is true.

Mr. HALLEY. Isn't it a fact that at least three men in your office who were also running for constable were never fired?

Mr. SULLIVAN. That is true.

Mr. HALLEY. Now, Sheriff Sullivan, when did you become sheriff?

Mr. SULLIVAN. On January 2, 1945.

Mr. HALLEY. What was your job before 1945?

Mr. SULLIVAN. I was a police officer.

Mr. HALLEY. When did you become a police officer?

Mr. SULLIVAN. Well, in 1933; the latter part, I believe, of 1933.

Mr. HALLEY. On what police force were you?

Mr. SULLIVAN. Miami, Fla.

Mr. HALLEY. The Miami police force?

Mr. SULLIVAN. Yes.

Mr. HALLEY. And you were there continuously from 1933 to 1945?

Mr. SULLIVAN. I was there through January the 1st of 1944.

Mr. HALLEY. What did you do from January 1, 1944, to January 1, 1952?

Mr. SULLIVAN. Well, I run for office until I was elected on May 23, in 1944, and then after I was elected to office I visited some of the different sheriff's departments in the State of Florida. They was going to have a school here in the State of Florida for all the newly elected sheriffs, to which I was going to go. I was going to attend, I mean. I wanted to attend the Federal Bureau School in Washington if I could, but I couldn't make the arrangements because they were already filled.

I didn't go to the school in Florida because they told me I was the only man who was interested in going to the Florida school for the newly elected sheriffs; so I came back to Miami and went to the University of Miami.

Mr. HALLEY. For how long?

Mr. SULLIVAN. About 4 months, I believe.

Mr. HALLEY. What did you study there?

Mr. SULLIVAN. I studied criminal procedure, State government, personnel management, and the law of torts.

Mr. HALLEY. What was your position on the police force until January 1, 1944?

Mr. SULLIVAN. I was a traffic officer.

Mr. HALLEY. A traffic officer?

Mr. SULLIVAN. Well, I was a traffic officer for a good many years; for 7 years, I believe.

Mr. HALLEY. What 7 years was that?

Mr. SULLIVAN. That was the last 7 years I was on the force.

Mr. HALLEY. What did you do—

Mr. SULLIVAN. Previous to that, I was on the radio-car detail, working in the colored section of Miami and in the downtown area of Miami.

Mr. HALLEY. While you were on the police force did you have any other business?

Mr. SULLIVAN. Well, I didn't have any other business. I would like to show you some things that I did while I was on the police force in the city of Miami.

Do you have those things, Mr. Hunt?

Mr. HALLEY. Just a moment, please. You will have a full opportunity, but now I am referring to other means of earning income other than your salary on the police force.

Mr. HUNT. That is what he is trying to tell you.

Mr. HALLEY. Is that what you are trying to get at?

Mr. SULLIVAN. Yes.

Mr. HALLEY. If so, it is relevant and you can give it to us now.

Mr. SULLIVAN. I worked at the bus station every other month at the Miami Transit Co.

Mr. HALLEY. Yes?

Mr. SULLIVAN. And I believe that we made, I think, around \$55 a month extra at that, and I think I made about \$8 or \$10 every month turning lights off. Then I was buying and selling automobiles or radios or whatever happened to come along that I could buy and make a few dollars on.

Mr. HALLEY. Did you——

Mr. SULLIVAN. I bought quite a few automobiles.

Mr. HALLEY. I am sorry.

Mr. SULLIVAN. I bought quite a few automobiles while I was on the police force.

Mr. HALLEY. You mean during the war?

Mr. SULLIVAN. While I was on the police force.

Mr. HALLEY. Was that after 1942 and before 1944 that you are referring to that you were buying automobiles?

Mr. SULLIVAN. No. Most of the time I was on the police force.

Mr. HALLEY. As a traffic officer, those were things you would get to know about?

Mr. SULLIVAN. Well, people on the corner I would get to know and get to know about it. I would help people in many ways, and people would stop by and help me.

Mr. HALLEY. Go ahead. You have some pictures you want to show us?

Mr. SULLIVAN. Yes, sir. Here is one in 1937 while I was on the police force that I built [handling photograph to Mr. Halley]. I built it out at 1803 Northwest Sixth Street.

Mr. HALLEY. Did you build it for yourself?

Mr. SULLIVAN. Yes, indeed. It was a two-story duplex.

Mr. HALLEY. And you sold it in 1939?

Mr. SULLIVAN. Yes; I did.

Mr. HALLEY. And did you make a profit on that transaction?

Mr. SULLIVAN. Yes; I did.

Mr. HALLEY. How much?

Mr. SULLIVAN. Well, I think that I made around—I am not sure—possibly \$1,700, maybe \$1,900. I am not sure. However, I went in there owing quite a bit of money on my property, and when I came out I didn't owe anything outside of my payments that I was making monthly and I had my property looking very beautiful.

Mr. HALLEY. It looks very nice. Now, after 1939 did you have any other opportunities to earn money other than your salary?

The CHAIRMAN. We will mark this exhibit No. 151 for the record. (See appendix, p. 782.)

Mr. SULLIVAN. In 1939 I bought a lot at 2321 Southwest Fourth Street and I built a house there—a three-bedroom and two-bath house.

Mr. HALLEY. How much did the lot cost?

Mr. SULLIVAN. The lot I believe cost either \$450 or \$500, something like that. I built a very pretty three-bedroom two-bath house. Here is the house [handling picture to Mr. Halley].

The CHAIRMAN. We will mark that photograph exhibit No. 152 for the record and file it. (See appendix, p. 782.)

Mr. SULLIVAN. I sold that house after about a year or so, maybe a little longer, but in the meantime I had bought the lot next door to it and all that time I worked on the corner. I built those houses while I was—while I had my vacation.

Mr. HALLEY. Did you build them all by yourself or did you have help?

Mr. SULLIVAN. I had help. I had fellows helping me. I built the houses, but I had people to help me.

Mr. HALLEY. You hired people to help you?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. How many houses did you build altogether?

Mr. SULLIVAN. Seven, I believe.

Mr. HALLEY. Between what years?

Mr. SULLIVAN. Well, now, wait a minute. Five while I was on the police force and I bought two and remodeled them.

Mr. HALLEY. While you were on the police force?

Mr. SULLIVAN. Here is the one at 2327 Southwest Fourth Street [handing photograph to Mr. Halley].

The CHAIRMAN. We will mark that photograph exhibit No. 153 for the record and file it. See appendix, p. 783.)

Mr. HALLEY. I would like to know in what years you had these real-estate transactions.

Mr. SULLIVAN. I built that house, I believe, in 1940, I think.

Mr. HALLEY. On the back it says, "Built in 1940 and sold in 1941."

Mr. SULLIVAN. Yes.

Mr. HALLEY. Was the first one in 1939?

Mr. SULLIVAN. 1937.

Mr. HALLEY. 1937?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. And there were altogether seven—five of which you built and two of which you remodeled?

Mr. SULLIVAN. That is right.

Mr. HALLEY. Now, how many did you build before 1939 and sell before 1939?

Mr. SULLIVAN. One.

Mr. HALLEY. One?

Mr. SULLIVAN. Yes.

Mr. HALLEY. And six after 1939?

Mr. SULLIVAN. Well, six or seven.

Mr. HALLEY. Can we just have the dates when you built and sold each one?

Mr. SULLIVAN. Well, the dates are on the backs of these pictures. If the dates are on the back, I will be happy to give them to you.

Mr. HALLEY. Would you, please?

Mr. SULLIVAN. Well, I built in 1937 and sold in 1939 the house at 1803 Northwest Sixth Street. Then in 1939 I built and sold in 1940 the house at 2321 Southwest Fourth Street. Then I bought the lot in 1939, built the house in 1940, and sold it in 1941, the house at 2327 Southwest Fourth Street. Then in 1941 I built the house at 2370 Southwest Fourth Street and sold it in 1942 [handing photograph to Mr. Halley].

The CHAIRMAN. We will mark it "Exhibit No. 154" for the record and file it. (See appendix, p. 783.)

Mr. SULLIVAN. However, in between time between the sale of the second house there at 2321 Southwest Fourth Street and the building of the one at 2327 Southwest Fourth Street I leased the apartment down in the corner 2398 Southwest Fourth Street, the duplex there and I sublet half of it.

Mr. HALLEY. Did you derive an income out of it?

Mr. SULLIVAN. While I was building my home at 2327 I lived there and then when I finished the 2327 house I sublet for the winter the place, the duplex.

Mr. HALLEY. You told us about three houses.

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. Will you go on?

Mr. SULLIVAN. The next one that I built after that was this two-story house at 2370 Southwest Fourth Street [handing photograph to the chairman]. It was built in 1941 and it was sold in the latter part of 1942.

The CHAIRMAN. That will be exhibit No. 154 [repeating].

Mr. SULLIVAN. This one here was bought in 1942 and was sold in 1943 [handing photograph to the chairman].

Mr. HUNT. What number is that?

Mr. SULLIVAN. That is 2338 Southwest Fifth Street.

The CHAIRMAN. It will be marked "Exhibit No. 155." (See appendix, p. 784.)

Mr. SULLIVAN. Here is a place that was built in 1941 at 2620 Southwest Ninth Street and sold in 1942 [handing photograph to the chairman].

The CHAIRMAN. That will be exhibit No. 156.

Mr. SULLIVAN. Here is a place at 2332 Southwest Fifth Street that I built in 1943 and sold in 1943 [handing photograph to the chairman].

The CHAIRMAN. That will be exhibit No. 157.

Mr. SULLIVAN. Here is one that I bought in 1943 and sold in 1946 at 2236 and 2238 Southwest First Street. A room was added in 1943. It is a duplex.

The CHAIRMAN. That will be exhibit No. 158.

Mr. SULLIVAN. Here is a lot that was brought in 1946, built on in 1947 and sold in 1948. That is 2240 and 2242 Southwest First Street [handing photograph to the chairman].

The CHAIRMAN. That will be exhibit No. 159 for the record.

Mr. SULLIVAN. Here is a place at 261 Southwest Thirtieth Road that I bought in 1947 [handing photograph to the chairman].

The CHAIRMAN. That will be exhibit No. 160.

Mr. SULLIVAN. Here is a house at 2485 Southwest Fourth Street that was built in 1949 and 1950, finished along February, something like that [handing photograph to the chairman].

The CHAIRMAN. That will be exhibit No. 161. (The above exhibits, Nos. 156-161, appear in the appendix, pp. 784-787.)

Mr. HALLEY. You still own two?

Mr. SULLIVAN. I still own 2485 Southwest Fourth Street.

Mr. HALLEY. Now, in 1942 did you borrow some money from the First Federal Savings Bank?

Mr. SULLIVAN. In 1942 I imagine that I did. I built a house at 2321 and 2327 Southwest Fourth Street and I got a loan on those houses.

Mr. HALLEY. Do you remember stating your total assets when you applied for that loan?

Mr. SULLIVAN. Well, I didn't ever——

Mr. HALLEY. This was in 1942.

Mr. SULLIVAN (continuing). State my total assets because——

Mr. HALLEY. When you apply for a loan you try to prepare a substantial statement, don't you?

Mr. SULLIVAN. When you apply for a loan you have to have enough as they say at the First Federal to "span the gap" because I never did like to put down what money I had, so I didn't do it.

Mr. HALLEY. You mean, when you told them how much money you were worth you were really being very modest about it?

Mr. SULLIVAN. Well, I just put down enough to get my loan.

Mr. HALLEY. What did you tell them your assets were to get this loan in 1942?

Mr. SULLIVAN. I don't remember which loan it happened to be. However——

Mr. HALLEY. Was it \$2,500?

Mr. SULLIVAN. It could have been. Maybe I was borrowing that much.

Mr. HALLEY. In any event it could be that you said in 1942 that your total assets were \$2,500?

Mr. SULLIVAN. No. In 1942?

Mr. HALLEY. Yes.

Mr. SULLIVAN. No, it couldn't have been.

Mr. HALLEY. It couldn't have been?

Mr. SULLIVAN. No, sir.

Mr. HALLEY. Well, what did you say they were?

Mr. SULLIVAN. That I don't definitely remember, but it couldn't have been that.

Mr. HALLEY. If the loan application states that, would the application be wrong?

Mr. SULLIVAN. It wouldn't necessarily be so.

Mr. HALLEY. But it could be on the application?

Mr. SULLIVAN. It possibly could; yes. It could be on the application; yes.

Mr. HALLEY. In 1943 you sold two of those houses, did you not? You stated a few moments ago that you did.

Mr. SULLIVAN. I may have.

Mr. HALLEY. You so stated about 5 minutes ago.

Mr. SULLIVAN. If that is what it says on the back there that is what happened. I don't know.

Mr. HALLEY. It says on the back of the picture that you sold them in 1943. Do you have any records pertaining to these houses, financial records?

Mr. SULLIVAN. I guess my tax man has them.

Mr. HALLEY. Is he here?

Mr. SULLIVAN. Yes, he is here.

Mr. HALLEY. Maybe he can produce them?

TESTIMONY OF DAVID W. HALL, ACCOUNTANT

The CHAIRMAN. Mr. Hall, you may be called on to testify, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. HALL. I do.

The CHAIRMAN. Just pull up a chair alongside Sheriff Sullivan.

Mr. HALLEY. What is your full name?

Mr. HALL. David W. Hall, certified public accountant.

Mr. HALLEY. And you have here certain records of Sheriff James Sullivan?

Mr. HALL. I have copies of his income-tax returns.

Mr. HALLEY. Do you have any other documents?

Mr. HALL. Yes, I have a few closing statements on sales, not all of them.

Mr. HALLEY. Do you have any statement showing profit and loss on sales?

Mr. HALL. Yes, in the income-tax returns.

Mr. HALLEY. Do they show on the tax returns—income-tax returns?

Mr. HALL. Yes.

Mr. HALLEY. Would you make available to the committee the income-tax returns which you have here?

Mr. HALL. I have here copies of income-tax returns from 1940 through 1949.

Mr. HALLEY. Would you hand them over here?

The CHAIRMAN. Let them be made exhibit No. 162. (Later returned to witness.)

Mr. HUNT. Will they be returned?

The CHAIRMAN. They will be.

Mr. HALLEY. Now, do you have any records showing the profit and loss on two buildings which were sold in 1943?

Mr. HALL. If I could see the returns I could tell.

Mr. HALLEY. For 1943?

Mr. HALL. Yes.

Mr. HALLEY. Here you are [hands documents to the witness]. Do you want the amended returns?

Mr. HALL. Yes, sir. There were two sales in the year 1943. Lot 5, block 6, Fairmont, purchased December 6, 1942, at a cost of \$2,750. Subsequent to acquisition, there were improvements made to the property totaling \$1,959.

On March 11, 1943, the property was sold for \$6,500, showing a gain of \$1,791.

Mr. HALLEY. What was the date of sale?

Mr. HALL. March 11, 1943.

Mr. HALLEY. What was the name of the lot?

Mr. HALL. Lot 4, block 6, Fairmont Park was bought in May of 1943, and it cost \$4,500 and the selling price was \$6,950, after subtracting the cost of sales and so forth. The gain on that sale was \$2,075.50.

Mr. HALLEY. May I see the return for 1943? Now you have just handed me an amended return for 1943. Do you have the original return for 1943?

Mr. HALL. I have it here.

Mr. HALLEY. When was the amended return filed?

Mr. HALL. May I see it again? [File handed to Mr. Hall.] I don't have the date of that, but it was recently.

Mr. HALLEY. In 1950?

Mr. HALL. Yes.

Mr. HALLEY. Now the original return was filed in 1944 for the calendar year of 1943; is that right?

Mr. HALL. Yes, sir.

Mr. HALLEY. On the original return, can you state what the net income was for Sheriff Sullivan, for the year 1943, was at this time?

Mr. HALL. By net income, do you mean——

Mr. HALLEY. Net taxable income.

Mr. HALL. After tax is off?

Mr. HALLEY. No, before taking off the taxes, state your deductions.

Mr. HALL. \$2,573.

Mr. HALLEY. Well, that doesn't reflect profit on the two sales of real estate?

Mr. HALL. No; that is the reason an amended return was filed this year.

Mr. HALLEY. What are the circumstances under which an amended return was filed this year?

The CHAIRMAN. Maybe Sheriff Sullivan can tell that, gentlemen.

Mr. HUNT. Mr. Hall can tell you.

The CHAIRMAN. Well, let's have the sheriff tell. The question is, Sheriff, you filed a return in 1943 and you filed one in 1950 and you have something else?

Mr. SULLIVAN. Well, I don't know. They stated one year that I didn't file a return.

Mr. HALLEY. You did file one in 1943, didn't you?

Mr. SULLIVAN. If you have it I did. I file one every year.

Mr. HALLEY. And you filed a return showing an income of \$2,387.75; isn't that right?

Mr. SULLIVAN. What do you mean?

Mr. HALLEY. Now, in 1950 you corrected this to show \$7,300.53.

Mr. SULLIVAN. Whatever is there is the amount, the amended income.

Mr. HALLEY. Would you answer that question as to the circumstances under which the income was amended?

The CHAIRMAN. Sheriff, you tell us about it here. Here is the 1943 one, and here is the amended one.

(Chairman hands Mr. Sullivan documents.)

Mr. HALLEY. Don't any of you know the facts? This has been very recent.

Mr. HUNT. His auditor can tell you, if you want him to tell you.

Mr. SULLIVAN. I don't know anything about these taxes—paying these taxes. I guess it is about 99 percent of us who don't know. I paid taxes for several years, and apparently my taxes were not being paid at all, or sent to the right places; and I have had a tremendous amount of checking on my income taxes for the past year or maybe longer. They have been calling me from all over Dade County about my income tax. They say, "What is the matter, there has been a man here checking on you?"

The CHAIRMAN. Here I have been looking at your 1943 income-tax report. It looks like it is very skillfully made out by an auditor. Did somebody make it out for you?

Mr. SULLIVAN. Mr. Hardin McQueen.

The CHAIRMAN. Does that represent the information you gave him, I take it, Sheriff?

Mr. SULLIVAN. Well, in each one of these cases that were filed, there was a total of yellow sheets that were filed with each one of these forms that are here, with my total income on it.

The CHAIRMAN. These yellow sheets are not here. Sheriff, the point is—

Mr. SULLIVAN. It is a worksheet of our taxes and how they are made up.

The CHAIRMAN. The point is, you had this 1943 income-tax report made out by an auditor. The tax here was apparently \$72.66. Now all of these forms back here, did you or did you not make this profit on the sale of these houses in 1943?

Mr. SULLIVAN. Yes, I made those sales on those houses at that time.

The CHAIRMAN. Why didn't you report it? You have taxes here deducted.

Mr. SULLIVAN. It was put on my income taxes. Whatever I made in 1943 there, was put on my income taxes.

The CHAIRMAN. Do you mean on your original one?

Mr. SULLIVAN. Yes, sir.

The CHAIRMAN. Then you say that this is not correct, your original 1943 return?

Mr. SULLIVAN. Whatever the return was when I built my houses. At the end of the year I went to the auditor, McQueen, and I had my taxes straightened out with him.

The CHAIRMAN. Well, the place here for income is, Miami Transit Co., Miami, Fla., \$337.50; city of Miami, \$2,335.50. Is that all. That is all the income you have listed in your original for 1943. Where are these houses. Where is the profit from these houses?

Mr. SULLIVAN. The one in 1939 and 1940 and 1941?

The CHAIRMAN. No, the ones you sold in 1943?

Mr. SULLIVAN. Senator, let me say this: On this income tax here, there was a yellow sheet exactly like this one here [indicating] which was a work sheet. That work sheet was attached to each one of my income reports, because my income reports were put on there—on the yellow sheet—and I left my money that was supposed to be sent, the money that was supposed to be the amount of profit I had made off my own home—on those yellow papers. And when I learned of this investigation of my income tax, well I go and ask for the yellow sheets of these files that stay here. I didn't keep them myself, they are kept in the office, and the yellow work sheets were not there.

The CHAIRMAN. So they were not available, they didn't show up, they were nowhere around?

Mr. SULLIVAN. No.

The CHAIRMAN. But you know for sure, Sheriff, that you made some profit on those houses?

Mr. SULLIVAN. Well I made some. I paid on those houses.

The CHAIRMAN. But it is not on your account?

Mr. SULLIVAN. That is true.

The CHAIRMAN. How did you pay?

Mr. SULLIVAN. Well, you have the records.

The CHAIRMAN. You decided in 1950 to pay this; is that it?

Mr. SULLIVAN. No.

The CHAIRMAN. How are you going to list that additional amount now?

Mr. SULLIVAN. Just a minute, I can show you. Will you explain how this is coming about, now?

Mr. HALL. If I may have that record?

Mr. SULLIVAN. These payments were not made by McQueen. There was quite a few irregularities in there that I didn't know about until I started checking them. In fact I wanted to take your time here for a few minutes just to show you about—

The CHAIRMAN. Who is this McQueen you are talking about?

Mr. SULLIVAN. Well, he was the fellow that was making my income-tax report at the end of each year, and I was paying quarterly each year, and I was paying all my income. I mean all the payments that I was due to pay, and usually I would go over there and leave the money there with him and he would pay it. Sometimes I paid it myself.

Mr. HALLEY. Is Mr. McQueen alive?

Mr. SULLIVAN. Yes, sir; he is.

Mr. HALLEY. And is he in Miami?

Mr. SULLIVAN. Well, he was about a week or so ago—10 days or so ago.

Mr. HALLEY. Is it your statement on the 1943 return that the chairman was asking about; that you filed an additional yellow sheet which did show the income from the real-estate transactions?

Mr. SULLIVAN. My income taxes were made up from a yellow worksheet which was attached to the sheet of which I paid on, and the payments were irregular. In fact I have a check here at the present time of \$1,800 that states that his office girl forgot somehow or other. He was sick and they must have not sent it, sent the money. I have a check here.

Here is a letter to Mr. Hunt, my attorney:

DEAR MR. HUNT: In regard to Jimmy Sullivan, please find enclosed my personal check, No. 1039, dated June 12, 1950, payable to James A. Sullivan for the sum of \$1,826.22, to cover my statement of June 1, 1950. In view of my going to the hospital for an operation, and no doubt will be confined for some time, I could not wait for your reply to my letter and statement of June 3. Therefore, I am mailing you this check to prevent any further delay. With kindest regards,

Yours truly,

HARDIN McQUEEN.

Mr. HALLEY. Now Sheriff Sullivan, have you finished reading your letter?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. Is it then, your testimony, for this need for a corrected return in 1943; that this was due to some sort of mistake?

Mr. SULLIVAN. Well, I think it was. I was perfectly honest in making my report out and I stated everything that I had made—that I had sold, because it was on record in the courthouse.

Mr. HALLEY. Would you say that you simply made a mistake in the years 1944, 1945, 1946, 1947, and 1948?

Mr. SULLIVAN. We have it in the record to show what happened. We have many records to show of actually what happened.

Mr. HALLEY. Now let's take 1944. There you find a return for \$5,564.77; is that right?

Mr. SULLIVAN. Well—

Mr. HALLEY. Do you have the original returns?

Mr. HALL. 1944?

Mr. HALLEY. The original returns for 1944?

Mr. HUNT. The Bureau has the original. Don't you have your copy?

Mr. HALLEY. Do you have a copy?

Mr. HALL. In 1944 Form W-2 was filed.

Mr. HALLEY. And in 1944 who made the statement of income? I don't believe you made any statement of income at all but simply paid a tax; is that correct? I mean for the year 1944?

Mr. HALL. This was done at the end of the year.

The CHAIRMAN. Here it is, Mr. Hall. Just tell what that is.

Mr. HALL. This sheet of paper I have here is an original Form 1040 which was found in the files of Hardin McQueen out on Southwest Eighth Street. He is the man who made up Mr. Sullivan's income-tax returns. The W-2 was turned over to the field deputy as follows: \$207.75, taxes withheld, \$10.40. That Form W-2 is the employer's statement that is given to employees showing the amount of income tax withheld. The taxpayer, if he wishes, signs the original Form W-2 and mails it in, which does away with the necessity of filling out a long form of income-tax return.

Mr. HALLEY. So in 1944 he just didn't file a long form tax return?

Mr. HALL. Well, the W-2 went to Mr. McQueen. Whether Mr. McQueen sent the form in or did not, I don't know.

Mr. HALLEY. Well, on the long form, if the amount is over \$5,000 you can't use the W-2. You can't use the W-2 if a man's income is over \$5,000; isn't that correct?

Mr. HALL. I believe that was correct in 1944.

Mr. HALLEY. And Mr. McQueen is an auditor?

Mr. HALL. Yes. He was not certified. If you look at his letterhead you will find out what his capabilities are. He is an examiner of questioned documents; a handwriting expert; and a counselor on Federal tax.

Mr. HALLEY. Didn't you finally in 1950 file an amended long form return for the year 1944?

Mr. SULLIVAN. Yes, I believe I did.

Mr. HALL. Yes, 1944. In 1944 an amended form was filed.

Mr. HALLEY. Now Sheriff Sullivan, do you think if you learned that your own income-tax return was amended in 1944, that you could state the sources of your account, or your income in 1944, as shown on that return?

The CHAIRMAN. Before he does that I want to see this short form that was filed.

Mr. HALL. We don't have it; the Government has it.

The CHAIRMAN. According to this, the only tax paid was \$10.40?

Mr. SULLIVAN. That was tax withheld on that salary, and on the original return if it was sent in. The \$10.40 was taken credit for by me.

The CHAIRMAN. His question was, what was the source of income in 1944 as you finally listed it?

Mr. SULLIVAN. Well, we have a letter to show here.

The CHAIRMAN. Well, Sheriff, you tell us. You tell us what the source was.

Mr. SULLIVAN. He will have to tell me, I don't know anything about these income taxes.

Mr. HALLEY. Can you read? It is right on the return. You read all morning. Just read it off the return, please.

Mr. SULLIVAN. All right.

Your exemption: Your name is James A Sullivan, and your wife is Ethel Sullivan. Your daughters are Dorothy May—

Mr. HALLEY. Go ahead.

Mr. SULLIVAN. "The city of Miami, Miami, Fla.; amount, \$207.75."

Mr. HALLEY. That is income?

Mr. SULLIVAN. The amount; yes, sir.

Mr. HALLEY. The total income from the city?

Mr. SULLIVAN (reading):

Enter total income here: \$207.75. Enter here the total amount of your dividends and interest, including interest from Government obligations, unless wholly exempt from taxation, \$77.02. If you received any other income, give details on page 2 and enter the total here, \$5,780. Add amounts in items 2, 3, and 4, and enter total here, \$6,064.77. If item 5 includes incomes of both husband and wife, show husband's income here, \$5,674.77. Wife's income here, \$390. Husband and wife—if husband and wife file separate returns, and one itemizes deduction, the other must also itemize deductions. 6. Enter for your tax from table on page 4, or from line 15, page 3.

Mr. HALLEY. Now Mr. Sullivan, the question related to those parts of the tax as related to your source of income. I think it would now be appropriate to turn to page 2 and state the source of additional income that you referred to a few minutes ago?

Mr. SULLIVAN. That is the year that I ran for sheriff in 1944.

Political contributions, not expended, is \$5,000.

Total income from above sources, \$5,780.

Mr. HALLEY. Can you give any further explanation of that item, "Political contributions, not expended"?

Mr. SULLIVAN. Well, this was the year 1944 that I was elected, the year that I ran for sheriff, and I left the corner, and when the race was over I had money left over.

Mr. HALLEY. And you happened to have \$5,000 left over?

Mr. SULLIVAN. Yes. It totaled up that, or a little bit better.

Mr. HALLEY. So you kept that?

Mr. SULLIVAN. I kept it; yes.

Mr. HALLEY. As income?

Mr. SULLIVAN. What was I to do with it?

Mr. HALLEY. Did something similar to that happen in your 1948 campaign, too?

Mr. SULLIVAN. Yes; it did.

Mr. HALLEY. Will you state the facts with reference to 1948?

Mr. SULLIVAN. Well, the reference to the fact—it is after the race was over that I had money left over—after the race was over.

Mr. HALLEY. How much did you have left over in 1948?

Mr. SULLIVAN. I had about, if I remember right—about the same amount as I had the first time.

Mr. HALLEY. \$5,000?

Mr. SULLIVAN. Around \$5,000 or \$5,600.

Mr. HALLEY. \$5,000. And that was political contributions?

Mr. SULLIVAN. Yes; that was left over from my campaign.

Mr. HALLEY. Now what led you to declare those sums as income when you filed these amended returns in 1950?

Mr. SULLIVAN. What led me to do it?

Mr. HALLEY. Yes.

Mr. SULLIVAN. Well, I had people, friends of mine, all over Dade County telling me that the income-tax man had been there checking on my income. I had a man come and ask me about my income tax, and says they were asking him about it. I says, "Well, I don't know. I have took care of all my income, every bit of it." He asked me had I took care of it and I told him. He says, "Those records"—he came to my office and told me this first. I was downstairs in the courthouse and pulled out these pages and he told me he was from the Tax Department of the Internal Revenue, and he says, "I would like to question you some about your income." "Well," I says, "It is all right." And he says—he sat down and talked with me for quite a while in my office. Then he came back and told me at a later date that if I didn't file any returns for 19—from 1944; that I didn't file any from 1944. Well I told him I filed income for every year. I says, "We made it out on the yellow sheet and the yellow sheet is right here." The yellow sheet was right there every time that we made our income out. "I have paid on it," I says.

Mr. HALLEY. Well, while we have the interruption may I have the original returns. The only one I have here is 1943. I would like copies of the returns filed from 1943 to 1948.

Are you ready?

Mr. SULLIVAN. Yes, sir. I wrote a letter here, the first time I knew that something was wrong with my income-tax returns. The letter is dated November 30, 1949, to the collector of internal revenue, Jacksonville, Fla.:

GENTLEMEN: I find the accountant who made up my income-tax reports for the years 1945, 1946, 1947, and 1948 did not keep an exact and detailed copy of the reports sent to you. Would it be possible for you to obtain for me photostatic copies of these four income-tax reports and let me have them? According to my records I received \$91.50 refund on my 1945 income-tax report, of which I paid to the Government \$1.100. I paid \$1,200 on my 1946 report, and should have received a refund of \$249.18 on this, but my records do not indicate that such a refund was ever received.

I paid on the 1947 income-tax report, \$4,894.18, and should have received a refund of \$726.72, but am unable to locate any such refunds as being received by me. I paid \$1,400 on my 1948 income-tax report and have not received any refund on this at all. I would certainly greatly appreciate your assistance in furnishing me with these photostatic copies of the above, so that I may have my records clearly available. Thanking you, I am,

Very truly yours,

JAMES A. SULLIVAN.
OF JAMES ALEXANDER SULLIVAN.

Mr. HALLEY. Mr. Sullivan, do you have anything else that you want to submit?

Mr. SULLIVAN. Yes, sir; a letter from the Treasury Department, Mr. Halley.

Mr. JAMES SULLIVAN,
Box 3038.

DEAR MR. SULLIVAN: This is in regards to 1945, 1946, 1947, and 1948 returns. Receipt is acknowledged of your communication dated November 30, 1949, requesting photostatic copies of 1945, 1946, 1947, and 1948 returns. Inasmuch as the above-mentioned returns are not in this office, it will be necessary for this

office to requisition statements. However, upon receipt of these returns you will be furnished photostatic copies as quickly as possible. If this office can be of further service to you, please advise.

Yours very truly,

JOHN L. FALIS.

Mr. HALLEY. Here we have a copy of your 1948 return, don't we? I show you a copy of your 1948 return on the bottom of which is marked in ink, signed, "JAS." There are some other names on it, indicating that it is a copy of returns filed for 1948. Will you look at it and say if it is the copy?

I don't understand. You were asking the Bureau of Internal Revenue for a photostatic copy—why? You had a copy.

Mr. SULLIVAN. My returns were not the same as the returns that were here.

Mr. HALLEY. They were not?

Mr. SULLIVAN. No, sir.

Mr. HALLEY. What returns were here, and what returns did you make?

Mr. SULLIVAN. Well, there was much money that was paid that didn't reach the Internal Revenue Department.

Mr. HALLEY. Isn't this the copy that you have had in the files right along? That is, the thing right in front of you, right on top?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. And it shows the total income of 1948, of how much you made? It shows \$10,704.33, and you have amended it now showing a total income of \$15,951.91, adding to it the \$5,000 for campaign contributions and expenses.

Now when you took office as sheriff in 1945, did you have any money in the bank?

Mr. SULLIVAN. I don't know how much money I had in the bank because I didn't keep much money in the bank.

Mr. HALLEY. Did you have \$5,000 in the bank at that time?

Mr. SULLIVAN. I don't remember what I had in the bank.

Mr. HALLEY. January 1, 1945?

Mr. SULLIVAN. I don't know. That is the year I left the police department. I don't know how much money I had in the bank. I had about \$2,000—I had \$2,001.50.

Mr. HALLEY. How much did you have in the bank at the end of 1948?

Mr. SULLIVAN. \$34,283.60.

Mr. HALLEY. That was in one bank, but you had some money in another bank.

Mr. SULLIVAN. I had in the Pan American Bank, \$983.28, and I had in the Riverside Bank, \$1,187.32. In the Miami Industrial Bank I had \$424.64. I had in Treasury bonds, \$1,068.75.

Mr. HALLEY. You had some other property at the end of 1948, did you not, besides money in the bank?

Mr. SULLIVAN. Yes.

The CHAIRMAN. What is the total of money in the bank at the end of 1948?

Mr. HALL. I can give you the figures.

The CHAIRMAN. Read those figures once more.

Mr. HALL. \$34,283.60 in the First Federal Savings & Loan; \$424.64 in the Miami Industrial Bank; \$1,187.32 in the Riverside Bank;

\$983.28 in the Pan American Bank; in postal savings certificates there were \$201; United States Treasury bonds, \$1,068.75.

That is all of the cash items.

Mr. HALLEY. What other assets were there at the end of 1948?

Mr. SULLIVAN. A note receivable to George L. Tiny Parker for \$1,000; accounts receivable, Ethel Balfe, \$900; accounts receivable, Sam Wallace, \$300; the Hungarian Culture Club, \$500; automobile, Dodge sedan, \$2,029, and another Dodge sedan, \$1,629.79; a lot at 174 Beacom Manor, Southwest Fourth Street, \$1,520.85; lots at 172 and 173 Beacom Manor, \$3,013.95; lots 26, 27, 28, 29, and 40, Kenilworth, vacant, Southwest First Street, \$4,575.90; lot 24 of block 14, Brickell Estates, 261 Southwest Thirtieth Road, \$15,500; the Hendersonville, N. C., residence was \$8,000.

Mr. HALLEY. You bought that for cash, didn't you?

Mr. SULLIVAN. Yes.

Mr. HALLEY. In what year?

Mr. SULLIVAN. 1947.

Mr. HALLEY. Is that place up in Hendersonville, N. C., in the same general area as the summer house that a former chief of police, Mr. Short, of Miami Beach, had his house in Hendersonville?

Mr. SULLIVAN. I don't know. I do know Police Chief Short. I know him, but I didn't know him there. I never saw him up there.

Mr. HALLEY. You don't know that he also has a house in Hendersonville?

Mr. SULLIVAN. My place was in Laurel Park, just outside of Hendersonville.

Mr. HALLEY. You don't know that he also had a house there?

Mr. SULLIVAN. No.

Mr. HALLEY. From whom did you buy your house?

Mr. SULLIVAN. From Ed Diehl in Homestead.

Mr. HALLEY. Homestead where?

Mr. SULLIVAN. Florida.

Mr. HALLEY. For \$8,000 cash?

Mr. SULLIVAN. That's right.

Mr. HALLEY. Did you withdraw the money for that from the bank?

Mr. SULLIVAN. Yes, I did.

Mr. HALLEY. Did you pay by check?

Mr. SULLIVAN. No; I didn't get the check out of the bank; I got the cash.

Mr. HALLEY. You went to the bank and got \$8,000 in cash out of it?

Mr. SULLIVAN. They wrote the check for \$8,000; I don't know whether it was the check or the cash I paid; I think it was cash.

Mr. HALLEY. What did you hand the man you bought the house from, check or cash?

Mr. SULLIVAN. I don't know whether it was check or cash; it was one or the other. When you get a check that is payable to you you have to get the check cashed and get another check. It is a savings account in the First Federal Bank here in Miami.

Mr. HALLEY. You got a cashier's check?

Mr. SULLIVAN. Yes; it is the same thing.

Mr. HALLEY. Did you go to the bank and put \$8,000 in it and then get a cashier's check?

Mr. SULLIVAN. No; I took it out of my funds in the bank.

Mr. HALLEY. Out of what funds did you take it?

Mr. SULLIVAN. I only had one fund down there in the bank; I took it out of that fund at the First Federal.

Mr. HALLEY. First Federal was a savings account?

Mr. SULLIVAN. Yes.

Mr. HALLEY. Did you have \$8,000 in the bank at that time?

Mr. SULLIVAN. I had more in there; I don't know how much it was.

Mr. HALLEY. I just want to get the date of the withdrawal from the bank of the \$8,000.

Mr. HALL. The Government already has all of these bank records.

Mr. HALLEY. What was the date of the purchase?

Mr. SULLIVAN. Mr. Halley, I cannot tell you.

Mr. HALLEY. Do you have a transcript of the bank account for 1947 with the First Federal Savings Bank?

Mr. HALL. This is all that I have on that [hands papers to Mr. Halley].

Mr. HALLEY. Don't you have any bank records for the year 1947?

Mr. HALL. If you will let me explain it I think we can save some time.

Mr. HALLEY. Please do so.

Mr. HALL. The Bureau of Internal Revenue has been investigating Mr. Sullivan for quite some time, and quite a few records have been turned over to them, and all records that were available to us have been made available to them, and they have them there, I am sure. Mr. Joe Brown would be familiar with it. Most of the evidence that we could find of Mr. Sullivan's financial position has been turned over to them.

Mr. HALLEY. You must have a bankbook; did you give them the bankbook; did you give the bankbook to the Bureau?

Mr. SULLIVAN. I have the bankbook at home. They have copies of that also.

Mr. HALLEY. Right now we don't know whether you paid for this house in cash or not.

Mr. SULLIVAN. Out of the bank.

Mr. HALLEY. Did you take cash to the bank and buy a cashier's check?

Mr. SULLIVAN. No; I got the cash out of the bank.

Mr. HALLEY. Are you sure of that?

Mr. SULLIVAN. Yes.

Mr. HALLEY. Will you be sure to get the bank records here as soon as possible?

Mr. SULLIVAN. Yes.

Mr. HUNT. The bankbook?

Mr. HALLEY. Yes.

Mr. HUNT. Do you know whether either of the Levitts have a house in Hendersonville, Jules or Leo?

Mr. SULLIVAN. No.

Mr. HALLEY. Is it possible?

Mr. SULLIVAN. It could be.

Mr. HALLEY. Do you know them?

Mr. SULLIVAN. I don't know Jules or the other fellow. I know of them but I don't know either one of them.

Mr. HALLEY. You have never seen them?

Mr. SULLIVAN. As far as I know I haven't.

MR. HALLEY. Will you go on with your net worth for 1948?

MR. SULLIVAN. Lots 13 and 14 of block 13 of Northern Boulevard, first tract, \$3,689.40.

MR. HALLEY. Is that the net value of that in 1948?

MR. HALL. That is cost.

MR. HALLEY. Book value?

MR. HALL. Yes.

MR. HALLEY. Go ahead.

MR. SULLIVAN. That gets everything. Against that there was a mortgage to Brickell estates of \$10,000. There was a note payable to N. W. Carter for \$1,883.33; there was an automobile from John Jones, Inc., for \$900.

MR. HALLEY. Do your records show the total value of your assets at the end of 1948?

MR. HALL. No.

MR. HALLEY. Total book value?

MR. HALL. This doesn't include all of his assets.

MR. HALLEY. You mean he has some more assets?

MR. HALL. Cash on hand. I have no way of finding out what that was.

MR. HALLEY. Was there cash on hand?

MR. SULLIVAN. There must have been.

MR. HALLEY. Do you have a safe-deposit box, Sheriff Sullivan?

MR. SULLIVAN. No.

MR. HALLEY. Does your wife?

MR. SULLIVAN. No.

MR. HALLEY. Did you ever own a safe-deposit box?

MR. SULLIVAN. No.

MR. HALLEY. Did your wife?

MR. SULLIVAN. Never.

MR. HALLEY. Did you keep sums of cash on hand?

MR. SULLIVAN. Yes, I did. I had money in the Morris Plan Bank; where the Miami Industrial Bank is now, when it went broke.

MR. HALLEY. Where did you have it?

MR. SULLIVAN. In the Morris Plan Bank.

MR. HALLEY. You mean in a bank account?

MR. SULLIVAN. I had it in that bank when the bank went broke. That was right immediately before I built the home at 1803 Northwest Sixth Street. That bank went broke then and I didn't put any more money in a bank at all for a long time.

MR. HALLEY. You mean that after the Morris Plan Bank went broke you became a little worried about banks?

MR. SULLIVAN. After all I just put in what was necessary to have in the bank.

MR. HALLEY. When did that bank go broke?

MR. SULLIVAN. It was either the first of 1937 or the last of 1936.

MR. HALLEY. For how many years did you keep from putting money in the bank?

MR. SULLIVAN. Well, in 1939 I put money in a bank.

MR. HALLEY. Did you ever discuss with Deputy Sheriff Burke your joint unwillingness to put money in banks?

MR. SULLIVAN. What?

MR. HALLEY. Did you ever have a talk with him about the fact that neither of you liked the bank?

Mr. SULLIVAN. I don't know whether I did or not. I don't know that I did.

Mr. HALLEY. Isn't it a fact that at the end of 1948 you had total assets in excess of \$75,000?

Mr. SULLIVAN. I don't know what I had at the end of 1948. Whatever is on here is right.

The CHAIRMAN. Mr. Sullivan, do you think in 1948 that \$75,000 would be a reasonable appraisal of your assets?

Mr. SULLIVAN. It could have been; I sold some property in 1948. I imagine it would possibly be around \$70,000. I sold a group of lots, seven or nine lots, in 1947 down here south of Fifteenth Road. I don't know what subdivision they are in. I bought those lots for \$7,500.

Mr. HALLEY. You bought them right after you became sheriff, didn't you?

Mr. SULLIVAN. It wasn't long after I became sheriff.

Mr. HALLEY. You bought them for \$7,500?

Mr. SULLIVAN. Yes.

Mr. HALLEY. Two years later you sold them for \$25,000?

Mr. SULLIVAN. That's right.

Mr. HALLEY. From whom did you buy those lots?

Mr. SULLIVAN. From the Railway Express Co.

Mr. HALLEY. To whom did you sell them?

Mr. SULLIVAN. I don't know. Who did I sell them to? I don't know the people. It was the first time I ever saw them, but they built some big apartment houses on them, on the whole thing.

Mr. HALLEY. Your net on the deal was \$17,500?

Mr. SULLIVAN. That's right. I borrowed five or six thousand dollars, or something like that, at the time I bought the lots.

Mr. HALLEY. When did you buy your home?

Mr. SULLIVAN. Which one?

Mr. HALLEY. How many homes have you?

Mr. SULLIVAN. You mean the present one, the one I am living in now? Each one of my places I built were my homes. I lived in almost all of them.

Mr. HALLEY. You bought a house in 1946, did you not?

Mr. SULLIVAN. Yes, I did.

Mr. HALLEY. Do you live in that now?

Mr. SULLIVAN. No, I don't.

Mr. HALLEY. Did you ever sell it?

Mr. SULLIVAN. I sold it.

Mr. HALLEY. For how much?

Mr. SULLIVAN. For \$10,500; no, \$14,500 in 1947.

Mr. HALLEY. Do you know a Mr. William Lee?

Mr. SULLIVAN. Yes, I do.

Mr. HALLEY. Did he handle the transaction in which you bought a house in 1946?

Mr. SULLIVAN. Well, at the place that I was living at that time he handled the transaction of the place, in 1947, when I bought the house.

Mr. HALLEY. You bought a house in 1947 from the Lucky Corp., did you not?

Mr. SULLIVAN. That is true.

Mr. HALLEY. Are you living in that house now?

Mr. SULLIVAN. No; I am not.

Mr. HALLEY. Did you ever live in it?

Mr. SULLIVAN. Yes; I did.

Mr. HALLEY. How long did you live in it?

Mr. SULLIVAN. Well, I lived in it, I guess, more than 4 years.

Mr. HALLEY. Have you sold it recently?

Mr. SULLIVAN. I sold it, yes, couple or 3 months ago.

Mr. HALLEY. What did you sell it for?

Mr. SULLIVAN. \$14,500.

Mr. HALLEY. You bought it from the Lucky Corp.?

Mr. SULLIVAN. I bought it from Ford—Carvel Ford.

Mr. HALLEY. You bought it from Carvel Ford?

Mr. SULLIVAN. Yes.

Mr. HALLEY. Who is Carvel Ford?

Mr. SULLIVAN. Carvel Ford is a man that is from out in Illinois, in the restaurant business there.

Mr. HALLEY. When did you buy it from Mr. Ford?

Mr. SULLIVAN. Well, I bought it in 1947 from Mr. Ford. I moved in the property sometime in 1946.

Mr. HALLEY. You rented it between 1946 and 1947?

Mr. SULLIVAN. I was supposed to pay rent on the property.

Mr. HALLEY. But you didn't? You had it rent-free?

Mr. SULLIVAN. Free with the exception of some, I think, about \$300.

Mr. HALLEY. Who owned it in 1946?

Mr. SULLIVAN. Well, I guess Ford did, because he owned it when I moved there.

Mr. HALLEY. Did you ever hear of James Alexander Poulos?

Mr. SULLIVAN. Only in this return here.

Mr. HALLEY. What return?

Mr. SULLIVAN. In this investigation of this case here.

Mr. HALLEY. You mean about this house we are now talking about?

Mr. SULLIVAN. Yes.

Mr. HALLEY. Isn't it a fact that this house was bought by Mr. Lee as agent from Mr. Ford?

Mr. SULLIVAN. I don't know about that. I bought the house from Ford.

Mr. HALLEY. Didn't Ford buy it in the name of a James Alexander Poulos, and wasn't that really you?

Mr. SULLIVAN. Not me, no.

Mr. HALLEY. Well, you moved right in, didn't you?

Mr. SULLIVAN. Did you say Ford bought it?

Mr. HALLEY. I mean Lee.

Mr. SULLIVAN. I don't know who Ford bought it from.

Mr. HALLEY. I meant Lee. Didn't Lee handle a transaction in which the house was purchased in 1946 in the name of a James Alexander Poulos? Your first name is James Alexander, isn't it?

Mr. SULLIVAN. That's right.

Mr. HALLEY. You have heard of James Alexander Poulos, have you not?

Mr. SULLIVAN. Yes.

Mr. HALLEY. He has figured in this deal?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. Has anybody been able to find him?

Mr. SULLIVAN. I don't know.

Mr. HALLEY. Isn't it a fact that Mr. Lee handled the transaction in which the house was purchased in 1946?

Mr. SULLIVAN. I don't know. I imagine that he did, because there was a lot of unpleasantness about it at that time.

Mr. HALLEY. A great deal of unpleasantness?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. You remember that he gave a check for \$19,968; isn't that right? Did you know that?

Mr. SULLIVAN. I don't know about that.

Mr. HALLEY. You have heard about it though subsequently?

Mr. SULLIVAN. In this thing here, that's right.

Mr. HALLEY. And you moved right into it, is that right?

Mr. SULLIVAN. I moved in there after I sold my property over on Southwest First Street.

Mr. HALLEY. And when did you sell your property on Southwest First Street?

Mr. SULLIVAN. Well, I guess it was sometime in 19—. Anyway sometime in 1946, I believe. I believe it was sometime in 1946 when I sold my duplex there on First Street, and I sold the property there, and I didn't have no place to live at the time, to move to. This was during the war.

Mr. HALLEY. So Lee let you live in this house, isn't that right? Isn't it Lee that you dealt with?

Mr. SULLIVAN. No. And I stayed in my apartment, I believe, for about 5 months after I sold the property.

Mr. HALLEY. You went into the house in 1946, didn't you?

Mr. SULLIVAN. Yes.

Mr. HALLEY. And you lived there, rent free, until November 12, 1947, when you bought the house; isn't that right?

Mr. SULLIVAN. With the exception of whatever payment that I had made of, I don't know, three or four hundred dollars, whatever it happened to be.

Mr. HALLEY. Now, you bought this house from a company called the Lucky Corp., did you not?

Mr. SULLIVAN. Well, I bought it from Mr. Ford. I bought the property from Ford.

Mr. HALLEY. No. The deed is from the Lucky Corp. to Sullivan, isn't it?

Mr. SULLIVAN. I bought the property directly from Ford.

Mr. HALLEY. How could you have? Poulos bought the property from Ford.

Mr. SULLIVAN. Yes, but——

Mr. HALLEY. Are you the same as Poulos?

Mr. HUNT. Which question do you want him to answer?

Mr. SULLIVAN. I bought the property personally from Ford.

Mr. HALLEY. In what year?

Mr. SULLIVAN. Forty-seven, and there was quite a bit of misunderstanding about this property, and I got a loan and bought the property. It was a loan of \$10,000.

Mr. HALLEY. Who loaned you the \$10,000?

Mr. SULLIVAN. Lee. I was living in the property, and Ford told me that I could live in the property, and then the property was sold.

Mr. HALLEY. Isn't it a fact that Lee gave a check to somebody named James Alexander Poulos, who bought that house for \$19,968 in 1946,

and that you bought that house from the Lucky Corp. for \$15,500 in 1947, on November 12; is that right?

Mr. SULLIVAN. No. I bought the property myself from Ford.

Mr. HALLEY. But the deed is from the Lucky Corp., isn't it?

Mr. SULLIVAN. Wherever the deed was, I guess it was.

Mr. HALLEY. Isn't William H. Lee the president of the corporation, or wasn't he at that time?

Mr. SULLIVAN. I believe so.

Mr. HALLEY. And you lived in that house, rent free, until November 12, 1947; isn't that right?

Mr. SULLIVAN. With the exception of the money that I paid on it.

Mr. HALLEY. Have you ever known anybody at any time in your life by the name of Poulos?

Mr. SULLIVAN. I never knew him.

Mr. HALLEY. You never knew anybody at all by that name?

Mr. SULLIVAN. I never knew him.

Mr. HALLEY. The question is: Did you ever know anyone by the name of Poulos at any time in your life?

Mr. SULLIVAN. I don't know. I don't remember.

Mr. HALLEY. Did you ever know anybody by the name of Poulos at any time in your life—P-o-u-l-o-s?

Mr. SULLIVAN. I don't know him. I know that some people, that Ford and Lee and some other party were around there. I know that there was quite a bit of arguing going on at a number of different times.

Mr. HALLEY. Did you ever know anybody in your life by the name of Poulis?

Mr. SULLIVAN. I don't believe I ever knew a Poulis.

Mr. HALLEY. Did you know anybody by the name of P-o-u-l-i-s?

Mr. SULLIVAN. Not that I know of.

Mr. HALLEY. In the meantime have you been able to estimate your net worth at the end of 1948, or has your accountant been able to do it?

Mr. HALL. At the end of 1948 it was about \$70,000.

Mr. HALLEY. You say about \$70,000?

Mr. HALL. Yes, \$70,000.

Mr. HALLEY. And that is without taking into account cash on hand; is that right?

Mr. SULLIVAN. That is everything, everything.

Mr. HALLEY. I will ask your accountant. Is that \$70,000 figure correct not including cash on hand?

Mr. HALL. That does provide for \$3,000 or \$4,000 cash on hand.

Mr. HALLEY. Three or four thousand dollars cash on hand?

Mr. HALL. Yes. \$68,000 would cover his net worth, including the cash.

Mr. HALLEY. How much cash did you have on hand at the end of 1948?

Mr. SULLIVAN. Well, that I can't definitely say.

Mr. HALLEY. What did you do with the \$5,000 that was left over from the 1949 campaign; did you keep that in the form of cash?

Mr. SULLIVAN. Well, I've got a record of that somewhere, right in my records here. I kept it in cash for awhile until I got everything all straightened out, and then put it in the bank and used it.

Mr. HALLEY. When did you deposit it in the bank?

Mr. SULLIVAN. Well, offhand, that is something I can't tell you definitely.

Mr. HALLEY. Well, you are looking at the record. You said you deposited it in the bank.

Mr. SULLIVAN. This is a record of the financial report of July 12, 1950.

Mr. HALLEY. So the chances are that at the end of 1948 you had that \$10,000 cash that was left over at the end of your campaign?

Mr. SULLIVAN. I had it; yes.

Mr. HALLEY. In cash?

Mr. SULLIVAN. No, I didn't have it all in 1948 in cash, I don't guess.

Mr. HALLEY. Where do you keep those large sums of cash? Your own estimate admits that you had several thousand dollars in cash.

Mr. SULLIVAN. Yes, I have had, many times, yes.

Mr. HALLEY. Where do you keep it?

Mr. SULLIVAN. I keep it at home. I keep it in my pocket, but I keep it at home when I get large sums.

Mr. HALLEY. Where do you keep it at home?

Mr. SULLIVAN. Well, I keep it rolled up in an old blanket and hid up on a shelf.

The CHAIRMAN. Where is that?

Mr. SULLIVAN. I say I keep it rolled up in an old blanket on a shelf.

The CHAIRMAN. Rolled up in a blanket on a shelf?

Mr. SULLIVAN. Yes, sir; yes, sir; that is where I kept it. Well, I kept money like that for years.

Mr. HALLEY. Have you ever kept it in a tin box?

Mr. SULLIVAN. Well, no. I have kept money in a tin box, what we call a fishing box.

Mr. HALLEY. Did you keep yours in a fishing box?

Mr. SULLIVAN. No—I have, but I don't keep it in a fishing box now; I haven't recently.

Mr. HALLEY. How recently?

Mr. SULLIVAN. Three or four years ago.

Mr. HALLEY. How much money?

Mr. SULLIVAN. At times I have had quite a bit.

Mr. HALLEY. How much would be quite a bit?

Mr. SULLIVAN. Well, I have had as much as \$12,000 in there at one time.

Mr. HALLEY. In a fishing box?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. At your home?

Mr. SULLIVAN. Yes; but I don't keep it there long. I move it from there, because it's dangerous.

Mr. HALLEY. How do you get into these large cash transactions? How does it come about that you had accumulated \$12,000 in cash?

Mr. SULLIVAN. Well, in my election in 1944 there was a lot of money that was turned over to me in my campaign.

Mr. HALLEY. What would you say was a lot?

Mr. SULLIVAN. I don't know. There was quite a bit; seven, maybe \$8,000.

Mr. HALLEY. Cash?

Mr. SULLIVAN. Well, over the whole period of time; yes.

Mr. HALLEY. And were there some checks? What was your entire campaign fund in 1944?

Mr. SULLIVAN. Well, you see, other people spend money on your election, and I know in my election I didn't spend much.

Mr. HALLEY. Did you spend much in your election in 1948?

Mr. SULLIVAN. I didn't spend too much in my election in 1948.

Mr. HALLEY. How much did you spend in 1948?

Mr. SULLIVAN. Well, we have a limit on the money that we can spend.

Mr. HALLEY. You mean a legal limit?

Mr. SULLIVAN. That's right.

Mr. HALLEY. No one pays any attention to that, does he?

Mr. SULLIVAN. Personally, what money you can spend yourself. Other people can spend plenty of money or all they want. You are allowed to spend, I believe, for sheriff, \$1,500.

Mr. HALLEY. You are allowed to spend \$1,500?

The CHAIRMAN. No; it is more than that. I saw the report here.

Mr. SULLIVAN. Well, since the new law that they have put in there. I believe they stated there was no limit to what they could spend for an election. I believe that was what they testified here yesterday.

Mr. HALLEY. We are talking about before the new law.

Mr. SULLIVAN. \$1,500.

Mr. HALLEY. \$1,500?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. Why is it, if you knew you could only spend \$1,500, why would you accept contributions far in excess of that, so you would have \$5,000 left over to put in your pocket at the end of the election?

Mr. SULLIVAN. People spent this money for different contributions.

Mr. HALLEY. Wouldn't that \$5,000 you had left over be just a cash gratuity that you had received from your well-wishers, if you could only spend \$1,500?

Mr. SULLIVAN. I don't know so much about that; but, anyway, I entered that into my—after talking with my auditor—I entered that into my tax returns.

Mr. HALLEY. Who were some of your contributors in 1948?

Mr. SULLIVAN. In 1948 and in 1944 I have the names, in the two elections; I have the names of these contributors.

Mr. HALLEY. Can you give them to the committee?

Mr. SULLIVAN. Mr. Rolfe, who is the armored truck man, gave me \$500 when I was running for office.

Mr. HALLEY. In what year?

Mr. SULLIVAN. 1948.

Mr. HALLEY. Who else?

Mr. SULLIVAN. I believe, I think Mr. Withers gave about \$1,500.

Mr. HALLEY. Don't you have any record?

Mr. SULLIVAN. I don't keep any records of the money that was given in each case during election time.

Mr. HALLEY. You don't?

Mr. SULLIVAN. No, sir.

Mr. HALLEY. How do you know that you had \$5,000 left over?

Mr. SULLIVAN. When everything was counted up I had \$5,000 left over.

Mr. HALLEY. What was the total you got in 1948?

Mr. SULLIVAN. Oh, it run about \$5,600, \$5,700, something like that; fifty-five, maybe.

Mr. HUNT. He means the total of the contributions, I believe.

Mr. SULLIVAN. Well, those contributions come in different ways. I don't know; it was considerable in 1948.

Mr. HALLEY. It was far in excess of \$5,600, wasn't it, Sheriff?

Mr. SULLIVAN. Yes; I guess it was.

Mr. HALLEY. Let us get the real figure now. You are under oath, you know.

The CHAIRMAN. Sheriff, give us your best estimate of what it was.

Mr. HUNT. Do you mean the total or what was left over?

Mr. HALLEY. The total of what was given to him in contributions.

Mr. SULLIVAN. Well, I don't know. It went into my office downtown; personally, when everything was all finished and all the records were straightened out, I had about \$5,500 or \$5,600.

Mr. HALLEY. You mean that is what was left after the campaign?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. What was there at the start of the campaign and what did you collect altogether from contributors?

Mr. SULLIVAN. Well, the people gave me from time to time a lot of money. So help me, I was out working and I can't tell you.

Mr. HALLEY. Did you get in contributions more than \$10,000?

Mr. SULLIVAN. Probably through the whole election; probably there was more than that through the whole election.

Mr. HALLEY. More than \$20,000?

Mr. SULLIVAN. Oh, no.

Mr. HALLEY. I am talking about the 1948 campaign—contributions for your campaign.

Mr. SULLIVAN. No, sir.

Mr. HALLEY. You are sure it was not as much as \$20,000?

Mr. SULLIVAN. No, sir.

Mr. HALLEY. Was it as much as \$15,000?

Mr. SULLIVAN. Well, that could have been. It might have been. Through my office downtown, in the downtown department, the whole contribution to my election might have been more than that, but not to me.

Mr. HALLEY. To you it was about \$15,000, would you say?

Mr. SULLIVAN. No.

Mr. HALLEY. What was it to you?

Mr. SULLIVAN. Well, I probably got around \$5,500.

Mr. HALLEY. I thought you said that was what you had left over?

Mr. SULLIVAN. That's right.

Mr. HALLEY. Well, you must have spent something.

Mr. SULLIVAN. I spent, it cost me about, I don't know, around \$1,400 myself, out of my own personal funds.

Mr. HALLEY. Out of your own campaign funds?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. Out of your own pocket?

Mr. SULLIVAN. Yes.

Mr. HALLEY. You paid that out of your own money?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. You got only about \$5,600 in contributions. Well, how about your campaign headquarters; who runs your campaign?

Mr. SULLIVAN. The whole election cost more than that, I guess.

Mr. HALLEY. We are talking about the campaign. Did you have a headquarters in 1948?

Mr. SULLIVAN. Yes, I did. I had a headquarters this side of the courthouse.

Mr. HALLEY. Who was in charge of your campaign?

Mr. SULLIVAN. Well, I had several people there in charge.

Mr. HALLEY. Name them, please.

Mr. SULLIVAN. I had Holmes Allen, who was in charge of part of it. I had Bill McIntosh, who was in charge of some of it, and my wife was there from time to time.

Mr. HALLEY. Who handled the money?

Mr. SULLIVAN. People come in there that left it; whoever happened to be there at the time they came in there. They would leave it there with them. My wife was there most of the time.

Mr. HALLEY. Didn't you designate a particular person or persons to handle your campaign funds?

Mr. SULLIVAN. My wife was there. I was around my campaign headquarters very little, a very little bit.

Mr. HALLEY. And Mrs. Sullivan handled part of the money?

Mr. SULLIVAN. That's right; part of it.

Mr. HALLEY. Who handled the rest of it?

Mr. SULLIVAN. There was money spent in different places. There was campaign headquarters that was set up on the beach. There was campaign headquarters that were set up down in the Homestead area.

Mr. HALLEY. Who handled the money in those places?

Mr. SULLIVAN. They set it up themselves for me.

Mr. HALLEY. Then let us get back to your headquarters in Miami. Who, besides Mrs. Sullivan, handled the money and was responsible for finances?

Mr. SULLIVAN. Well, I guess Holmes Allen handled a big part of it in the run-off. In the first race he took care of a lot of the work, and I guess he handled some of the money.

Mr. HALLEY. Do you know Jack Friedlander?

Mr. SULLIVAN. I know who he is by these hearings that we have been having here.

Mr. HALLEY. Do you mean that you had never heard of Jack Friedlander before these hearings?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. Who is he?

Mr. SULLIVAN. He is one of the reputed gamblers here in Dade County. He was arrested here a couple of years ago, I believe, for investigation. I don't know that he was charged with anything, but he was investigated for gambling.

Mr. HALLEY. Does he operate right in the city of Miami?

Mr. SULLIVAN. Well, I can't tell you that, whether he does or not.

Mr. HALLEY. Where is the Club 86?

Mr. SULLIVAN. It's up on Biscayne Boulevard at Eighty-sixth Street.

Mr. HALLEY. Do you know an accountant named Costar? C-o-s-t-a-r? Charles B. Costar.

Mr. SULLIVAN. Who?

Mr. HALLEY. Charles B. Costar.

Mr. SULLIVAN. Yes, I do. Wait a minute—

Mr. HALLEY. He keeps the books for the Club 86. Haven't you ever gone up and asked him to show you the books for the Club 86?

Mr. SULLIVAN. No; I haven't.

Mr. HALLEY. Do you know what kind of a place the Club 86 is?

Mr. SULLIVAN. They run gambling.

Mr. HALLEY. It is in Dade County, is it not?

Mr. SULLIVAN. Yes, sir.

Mr. HALLEY. They still do, don't they?

Mr. SULLIVAN. No.

Mr. HALLEY. They did the winter before this?

Mr. SULLIVAN. No, I don't believe so.

Mr. HALLEY. Did you ever arrest any of the people connected with the Club 86?

Mr. SULLIVAN. I guess I did. I don't know how many people worked there, but we made a raid there.

Mr. HALLEY. One raid?

Mr. SULLIVAN. Yes, and we arrested fellows there and in other places, at times, that we understood worked there.

Mr. HALLEY. After making a raid did you walk over to the accountant's office and look at the books to find out who owned the place?

Mr. SULLIVAN. No.

Mr. HALLEY. Didn't you know that Jack Friedlander was one of the owners of the Club 86?

Mr. SULLIVAN. No; I didn't.

Mr. HALLEY. You never heard of that before?

Mr. SULLIVAN. He was reputedly one of the owners with Charlie Thomas and——

Mr. HALLEY. Yarborough?

Mr. SULLIVAN. Yarborough, yes.

Mr. HALLEY. Then that information had come to you?

Mr. SULLIVAN. Oh, yes.

Mr. HALLEY. How much did Jack Friedlander contribute to your campaign?

Mr. SULLIVAN. Well, now, that I don't know.

Mr. HALLEY. He did contribute, didn't he?

Mr. SULLIVAN. He could have.

Mr. HALLEY. He did, didn't he?

Mr. SULLIVAN. He could have; I don't know whether he did or not.

Mr. HALLEY. What do you mean by "He could have"? I might have, but I didn't.

Mr. SULLIVAN. There are a lot of different ways it comes in.

Mr. HALLEY. Did it come or did it not come?

Mr. SULLIVAN. Definitely I don't know.

Mr. HALLEY. What is your best guess; you are pretty sure that he did contribute to your campaign, aren't you?

Mr. SULLIVAN. He didn't contribute nothing to me.

Mr. HALLEY. Did he contribute to your campaign?

Mr. SULLIVAN. In an indirect manner it might have happened.

Mr. HALLEY. Didn't he contribute to your campaign?

Mr. SULLIVAN. You are asking me directly. I can't tell you directly. I don't know positively.

Mr. HALLEY. Do you think he contributed to your campaign?

Mr. SULLIVAN. He could have.

Mr. HALLEY. Did anybody ever tell you that he contributed to your campaign?

Mr. SULLIVAN. No.

Mr. HALLEY. What makes you think he could have?

Mr. SULLIVAN. You seem to be of the opinion that he did. Maybe you have the knowledge.

Mr. HALLEY. If I know it, you will admit it?

Mr. SULLIVAN. No. I said he could have. I don't know.

Mr. HALLEY. Do you know that it is contempt and perjury to say you don't know something that you do know? I just want to be sure that you understand that.

Mr. SULLIVAN. Yes.

Mr. HALLEY. If you say you don't know something when in fact you do know, it is perjury.

Mr. SULLIVAN. But I don't know it.

Mr. HALLEY. Don't you know that Jack Friedlander contributed \$5,000 to your campaign? Let's have the answer without all of this fuss; answer it yes or no.

Mr. SULLIVAN. I don't know that he did; no.

Mr. HALLEY. Do you know that he didn't?

Mr. SULLIVAN. I don't know that he did or didn't.

Mr. HALLEY. I have no further questions.

The CHAIRMAN. Senator Hunt, do you want to ask the sheriff any questions?

Senator HUNT. No.

The CHAIRMAN. I have two or three questions. I was interested in this honorary deputy sheriff business that you put out here. I happen to have a card here dated June 5, 1947, issued to Abe Allenberg. Is that a deputy sheriff commission that you issued?

Mr. SULLIVAN. That is one of my cards. This, as you will see, is not a signature of mine; it doesn't have my signature on that card. You can see that yourself. This is a stamped signature on here.

The CHAIRMAN. I thought it was your signature.

Mr. SULLIVAN. However, let me say this while I am on the subject. From what I personally know and have personally found out about Abe Allenberg, as far as his work goes since I have been sheriff, I have not definitely found out anything that has been wrong with Abe Allenberg. He is associated with very nice and outstanding people; he was elected president of the Miami Beach Association. I am not sure whether it was State president or State vice president.

Senator HUNT. President.

Mr. SULLIVAN. I don't like to slap somebody down that I don't really know anything wrong about.

The CHAIRMAN. Sheriff Sullivan, you apparently keep a list of your honorary deputy sheriffs. This seems to be No. 460. This one here doesn't look like a stamped signature.

Mr. SULLIVAN. They are both stamped.

The CHAIRMAN. It looks like a genuine signature to me. Anyway, is he an honorary deputy sheriff or not?

Mr. SULLIVAN. Well, he has this card, and I imagine that Mr. Harkness issued this card to him.

The CHAIRMAN. You of course know that he was sent down here by a person who has been characterized as one of the Nation's greatest gamblers, Frank Erickson; that he has been in business with Mr. Erickson; that he has managed the Wofford Hotel, and you have seen the list of its clientele.

Mr. SULLIVAN. I have seen these lists up there quite a bit, but this man here, if I am not mistaken, he and his group that he associates with, were all before our State supreme court and I think they nolle prossed, or whatever happened to it. I know this happened a few years ago out at the Tropical Park, and I believe a few years ago there was something pertaining to the ownership of the hotel, the Wofford Hotel, on Miami Beach.

The CHAIRMAN. Do you recall the sheriff's convention when they came down here in 1949 or 1948, or whatever time it was?

Mr. SULLIVAN. No. The sheriff's convention I believe came to Dade County in 1944, the year I was elected sheriff.

The CHAIRMAN. Didn't you have one over at the Wofford Hotel about that time?

Mr. SULLIVAN. I believe that they had a convention there at that time. I am not sure.

The CHAIRMAN. Just one other question, Sheriff Sullivan.

Mr. SULLIVAN. On this occasion we had a big dinner there sometime in the year 1944, after I was elected sheriff. At that time we had all of the State officials here; that was in 1944. I think I had a sheriffs' convention there in 1946 or 1947.

The CHAIRMAN. You know that when Mr. Allenberg left the Wofford Hotel he went over to the Boulevard Hotel, don't you?

Mr. SULLIVAN. I saw him at the Wofford Hotel in 1944 and then he was later at the Boulevard Hotel in 1946 or 1947.

The CHAIRMAN. You know that the Boulevard Hotel had a horse-racing gambling place there?

Mr. SULLIVAN. No; I didn't know it. We raided the place. I don't know whether it was one or two or three times that we arrested them for horsebooking there.

The CHAIRMAN. Another question. You go to North Carolina occasionally, and you go fishing once in a while, as anyone is supposed to do. Does Mrs. Sullivan go with you fishing?

Mr. SULLIVAN. No; she doesn't go with me fishing.

The CHAIRMAN. How about on the trips that you go on?

Mr. SULLIVAN. Well, when we take our vacation, contrary to what this gentleman got up here and stated yesterday about being gone for 6 months, me and my wife have not been out of the State and away from this office more than 16 days.

The CHAIRMAN. In other words, when you take your vacation she goes with you?

Mr. SULLIVAN. Yes.

The CHAIRMAN. When you have a lot of money in the house in a fishing box, what do you do with it when you go on a vacation?

Mr. SULLIVAN. I have got the money now where I don't have to worry too much about it. Maybe I have a little bit lying around.

The CHAIRMAN. I mean when you had \$8,000, or whatever it was.

Mr. SULLIVAN. I had more than that there. I don't have any sticking around in any fishing box.

The CHAIRMAN. You said in an old blanket in your closet.

Mr. SULLIVAN. Right.

The CHAIRMAN. Do you just leave it there when you go away?

Mr. SULLIVAN. Senator, if you look like you are a man that is worth a lot of money, you can expect somebody to try to break into your house, if they are looking for money. If you don't go around spending

a lot of money and letting people know you have money, you don't have to worry too much. Down in my office I have many, many people who come in there wanting to borrow money, wanting to sell me stock in this and that.

The SENATOR. Do you leave it at home when you go away on vacations?

Mr. SULLIVAN. We don't leave it in the house, Senator.

The CHAIRMAN. You take it and put it somewhere else, or carry it with you?

Mr. SULLIVAN. That's right.

The CHAIRMAN. Do you have any further statements you want to make, Sheriff Sullivan?

Mr. SULLIVAN. I would like to have, if you will permit me, Mr. Hall, to kind of straighten out some of these things about my income tax. I don't know too much about this, and that's the reason I got messed up in it before.

The CHAIRMAN. If Mr. Hall thinks he can straighten it out, he is at liberty to do so.

Mr. HALL. Sheriff had his income tax returns prepared, as you know, by Hardin McQueen, and as Mr. Sullivan stated, the income tax information was placed upon a yellow work sheet——

The CHAIRMAN. Are you speaking of what you know or what has been told you; did you see the yellow work sheet?

Mr. HALL. I saw one of them. I saw where it had been removed from the file.

Mr. HUNT. Senator, he will connect it up, if you will just permit him to testify.

The CHAIRMAN. Go ahead.

Mr. HALL. I know that Mr. McQueen asked Sheriff Sullivan for considerably more tax money than Mr. McQueen was putting on the tax return. It was difficult for me to check this because at the time special agents of the internal revenue were working on Mr. Sullivan's income taxes, and it was hard for me to get Mr. McQueen to thoroughly express himself as to what happened, however, I asked Sheriff Sullivan to carefully look for any receipt that he might have that Mr. McQueen had given him. Mr. Sullivan was able to find a few receipts showing payments, second installments and third installments, of income taxes of \$2,053 and \$750. I have these receipts here, which I will present to the committee.

The collector of internal revenue didn't receive that money, so we have asked Mr. McQueen to reimburse Mr. Sullivan for this money that was retained by him presumably. We have a check here recently of \$1,826, which is not all of it, but is part of it for the payments that he retained.

I want to bring out that Sheriff Sullivan has paid in 2 years, 1947 and 1948, \$2,629.19. Including the amended tax returns, as prepared by me, this money here would have covered these shortages. I asked Sheriff Sullivan to let me include in his income tax \$5,000 in 1944 and 1948, when he told me about the campaign contributions which had not been expended. That is not income, and the Government doesn't expect a tax on it; however, during the income-tax investigation Joe Brown insisted that it was, contrary to rule IC No. 3276 which I quoted. This rule No. 3276 says:

Such campaign contribution to political office seeker is not income.

However, to show good faith, I asked Sheriff Sullivan if we couldn't put them in his return, and that is why these amounts were put in there in 1947 and 1948. As soon as the examination is completed I intend to file a claim for refund for the tax paid on these two amounts.

Mr. HUNT. Mr. Hall, are you able to testify the total amount of real-estate transaction profits Sheriff Sullivan has earned since he became sheriff?

Mr. HALL. Yes. His profits, as reported in his income-tax return, as prepared by me, showed a profit on the sale of real estate of \$30,469.10. His salary during that period was \$51,343.12. His interest and other income amounted to \$12,124.86. Total income accounted for of \$93,937.08. His net worth during that period increased \$40,000, which means that Sheriff Sullivan spent \$53,000 in living expenses.

Mr. HALLEY. I don't quite follow you. What period are you covering?

Mr. HALL. From January 1, 1944, until July 12, 1950.

Mr. HALLEY. The period we have been following is for the period on which you were able to fix his net worth, from January 1, 1945, to January 1, 1949. As I recall it, you started out with something like \$2,000 in the bank, and a rather small amount of real estate, and ended up with a net worth in excess of \$70,000 at the end of 4 years.

Mr. HALL. I would like to leave these two statements here, which I believe will be self-explanatory.

Mr. HALLEY. I very much doubt it.

The CHAIRMAN. Anyway, he started off in 1945 with \$3,000 in the bank, and in 1948 he got it up to about \$38,000.

Mr. HUNT. You didn't count anything else in 1944, Mr. Chairman, but you counted everything in 1948.

The CHAIRMAN. No. I was talking about money in the bank.

Mr. HUNT. The 1948 total is everything that he owns.

Mr. SULLIVAN. In 1938 I didn't have any money in the bank excepting the bank that went broke.

Senator HUNT. Mr. Hall, your statement, collaborated in by the sheriff, is to the effect that certain cash was given to Mr. McQueen to remit to the Government for income taxes and it was not remitted?

Mr. HALL. That is right.

Senator HUNT. Would Mr. McQueen corroborate that statement?

Mr. HUNT. We have letters from him, together with a contribution of \$1,800 on the account, which we will be glad to submit to you.

Senator HUNT. Was any action of any kind taken toward Mr. McQueen?

Mr. HUNT. Mr. McQueen has been advised that the sheriff will sue him for the balance. He has been in the hospital; he had a cataract or some kind of an eye operation. As I have stated before, he has remitted \$1,826.22. There is a balance of \$900, and he has been advised that we will sue him for the balance.

Senator HUNT. Did the sheriff know how much money he had left with Mr. McQueen?

Mr. HUNT. Mr. Hall can answer that.

Mr. HALL. He doesn't know all of the moneys that he left with Mr. McQueen. The only thing that I could ask Mr. McQueen to reimburse him for was the amount that I could prove. I have a

copy of my work sheet here, which I will be glad to present, showing the source of the information and how I was able to prove that McQueen had received the money from Sheriff Sullivan and that he didn't send it in to the collector of internal revenue.

Senator HUNT. What is your proof that the money was left with Mr. McQueen and that it was left in cash?

Mr. HALL. I have the receipts here. Here are some photostatic copies of receipts. I have the originals also. My statement as to Mr. McQueen was developed from four main sources; first, receipts that McQueen himself issued to Sheriff Sullivan showing that he had received moneys for income-tax payments that were not sent in to the Government; also bank deposit records that were furnished by Mr. McQueen to me; the record of the collector of internal revenue, Jacksonville, Fla., and canceled checks drawn on the sheriff's account and charged to the sheriff's account.

Senator HUNT. When the sheriff signed his final income-tax return the amount of money being remitted was on the face of that return, wasn't it?

Mr. HALL. I think Sheriff Sullivan should answer that question. I know the answer. He signed blank returns after McQueen made up the yellow work sheet, and Sheriff Sullivan thought, up until recently, that it was a part of the regular income-tax return.

Mr. SULLIVAN. Senator, let me say one word here. Mr. McQueen has made up my income-tax returns since either 1938 or 1939. He used to make them for me when I was a police officer on the corner. He would come by and I would tell him what I had and he would go to his office and tell me how much extra I owed, which I paid.

Senator HUNT. Sheriff, you sign income tax returns in blank? That is the statement that Mr. Hall made.

Mr. SULLIVAN. I would sign them because I had no reason to not do it. He had taken care of me all the time before, and he didn't charge me nothing but \$5 while I was a policeman on the corner, so when I got to where I could do a little better, I paid him more money each time he took care of my income taxes. I didn't know but what he was a regular income tax man and that he was recognized by the Government as such. When I started checking they told me something else. They told me that they would make me new books and that they would show me how to make my income tax reports out, and that McQueen is not much of an income tax man, and that they didn't think too much of him. I know that he had one of those things hanging on the wall showing that he was an accountant.

Senator HUNT. A certified public accountant?

Mr. SULLIVAN. Yes, a certified public accountant; he had it there on the wall. He told me that he could sit down with the Government tax men and work things out with them. He said that they advised with him from time to time and he advised with them, and I had no reason to disbelieve it. I never paid any attention to what was going on. The first thing I knew of it is when one of the income tax men told me that he didn't place much confidence in him and that is when I thought I had better start doing something about it and find out where I stood.

Senator HUNT. You didn't offer to do anything about it until the internal revenue people were investigating your income tax return?

Mr. SULLIVAN. That is when I learned it.

Mr. HUNT. I would like to state that Mr. McQueen first remitted \$700. After I had written a letter to him he came in the office and remitted \$700, and I returned it to him. After two or three more letters to him he sent in \$1,826.22, or whatever that amount is.

The CHAIRMAN. I think the record should show these figures with respect to Sheriff Sullivan's income tax return.

Year	Per return	Corrected	Year	Per return	Corrected
1943.....	\$2,387.75	\$7,033.51	1946.....	\$6,436.51	\$36,511.07
1944.....	5,564.77	5,591.02	1947.....	16,270.92	20,323.48
1945.....	6,150.00	7,836.87	1948.....	9,159.42	19,109.40

The CHAIRMAN. I have never understood exactly how you could have in 1944 a net worth of \$2,500 or \$3,000 and then in 1948 you could have \$70,000 or \$75,000 net worth, after paying expenses and what not during that time. What is the explanation of that?

Mr. SULLIVAN. Well, Senator, I don't know how much in salary—

The CHAIRMAN. You made \$7,500 for a while and then \$10,000.

Mr. SULLIVAN. Yes.

The CHAIRMAN. Beginning with 1945 to 1948 that is a discrepancy of \$2,500, and in the course of 3 years you show a net worth of \$75,000.

Mr. SULLIVAN. What time?

The CHAIRMAN. From 1945 until 1948.

Mr. SULLIVAN. I sold this piece of property for \$25,000, which I bought for \$7,500, which took care of a big part of that. My total earnings for that period was \$30,469.10 in real estate, and my salary amounted to \$51,343.12.

The CHAIRMAN. That is over the whole period of time. I was talking about the difference between the end of 1944 and 1948, which represents 3 years. Your salary would not be \$50,000 for 3 years.

Mr. HUNT. That would be 4 years.

Mr. SULLIVAN. I tried to put in my income-tax returns everything that I made, and I tried to get in all of the bills that I had when they came to me. When it came to the question of these additional improvements that I put on the property that I bought they told me that I had to get all of these bills that were several years old. You can't get all of those bills unless you keep an accurate record of what you put on any building.

The CHAIRMAN. Is that your explanation?

Mr. SULLIVAN. Yes.

The CHAIRMAN. We will file this as exhibit No. 163. (Exhibit No. 163, Financial statements of Sheriff Sullivan, appears in the appendix on p. 787.)

The CHAIRMAN. Mr. Hunt asked me to read this statement into the record, which I will now do:

I would like the record relative to the elisor matter to show that although I took issue with Judge Milledge upon legal grounds only, I have a deep regard for his ability and fairness as a circuit judge.

RICHARD M. HUNT.

The CHAIRMAN. The committee will stand recessed for 5 minutes. (Recess.)

The CHAIRMAN. Yesterday Melvin Richard had considerable to say about Mr. Plissner. The chairman received this morning a telegram from Mr. Plissner, reading as follows:

Melvin Richard perjured himself before your committee this afternoon. I will be in your hearing room tomorrow ready to testify under oath. Richard is trying to use your committee to advance his political fortunes. I am an innocent man who has been libeled and slandered by Richard. If you are interested in justice and fair play you will call on me and listen to my story.

HARRY PLISSNER.

TESTIMONY OF HARRY PLISSNER, MIAMI BEACH, FLA.

The CHAIRMAN. Do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. PLISSNER. I do.

The CHAIRMAN. You may proceed, Mr. Plissner.

Mr. PLISSNER. Before this committee yesterday, Melvin J. Richard attacked my character and my respected position in the Miami Beach community. Richard has published his charges previously in newspapers and magazines throughout the country.

These charges have been broadcast on Nation-wide radio book-ups. They have now placed on record by a committee of the United States Senate. They are serious charges, and as such they deserve the attention of your committee. But these charges are not true. In his zeal to settle a political dispute, Melvin Richard has perjured himself before a committee of the Senate of the United States.

Yesterday Richard attempted to link my name with the criminal underworld which this committee is investigating. I am grateful that the committee, in the performance of its duties, has given me the opportunity to defend my name and character against the perjured testimony of Melvin Richard.

Richard perjured himself when he denied under oath that I had told him the names of the men who wished to operate punchboards in Miami Beach. On the only occasion on which we have ever discussed punchboards I told Richard, "Jerry Greenwald wants to know if you can arrange for him to operate punchboards." Richard, who is Greenwald's attorney, replied, "Jerry must be kidding," and we went on to discuss other matters.

If the committee has any questions regarding this very brief discussion between myself and Richard, I shall be glad to answer them. What I wish to make evident now is that Melvin Richard knowingly gave false testimony to this committee yesterday.

For some time now Richard and I have been engaged in a political controversy bearing on local conditions in the city of Miami Beach. For political motives Richard has sought to destroy my reputation by manufacturing the story of an attempted bribe on my part, a story based on the conversation whose entire substance I have just stated.

On November 16, 1949, the Miami Herald reported an address delivered by Richard to the Miami Beach AMVETS. In this address Richard stated that he had been offered a bribe of one-fifth of a \$250,000-a-year punchboard business. Two months later, in an interview published by the St. Louis Post-Dispatch, Richard repeated this story. But by January Richard's one-fifth share had multiplied from \$50,000 to \$200,000.

Having reached the top-income bracket, Richard then became national news. He passed his story on to syndicated columnists, to radio commentators, and to one of the most widely circulated of the slick magazines.

At some point in the development of Richard's bribe story, people who had seen punchboards in operation in other parts of the country began to wonder how an annual profit of a million dollars or even—to take another of Richard's figures, \$250,000—could be made by operating them on Miami Beach.

Tourists don't play punchboards. It takes time to raffle off a punchboard, and tourists don't stay here long enough. The 40,000 permanent residents of Miami Beach, buying chances at a few cents apiece certainly were no source of a million dollars annually. Richard's story made very little sense to anyone who thought about it, and he had done such an excellent job of promulgating this story that people in Miami Beach couldn't help thinking about it. Some of these people were newspapermen and local radio commentators, and their understandable skepticism was the substance of the "scurrilous attacks" to which Richard referred in addressing this committee yesterday.

At this time Richard was under heavy pressure in this community to present his unquestionably serious charges to a grand jury. The local newspapers, civic organizations, and hundreds of prominent citizens demanded that he present his story under oath and that he disclose the name of the alleged attempted briber. From the first Richard has described this person in such a way that no one in this community had any doubt of his identity, but Richard had not openly called me by name.

Under this pressure Richard finally did appear before the grand jury, reported the bribe offer and named me as its source. At that time he also took the liberty of repairing an extraordinary and amazing oversight in his earlier accounts of the bribe. For the first time he now recalled that not only had he been asked to connive at punchboards but bookmaking was also included in the package.

By this time Richard had evidently learned just what a punchboard is and how implausible his original story had appeared. Bookmaking plugged the hole in this earlier draft of the story, and it now made sense, untrue as it was.

I should like to point out to this committee, however, that in his testimony yesterday Richard reported the take on this protean gambling deal to be \$750,000, not \$1,000,000, not a quarter of a million. The story still appears to be in the process of revision.

Now I have known Richard for a good many years and most of this time quite intimately. I know his faults in a way that I hope no other man will ever experience them, and I also know that Richard is very good at certain things. He is especially skillful in remembering facts which may be important to him at a future time. And yet Melvin Richard has said on different occasions of the very same bribe offer that it was \$50,000, \$150,000, \$200,000.

For 8 months, moreover, Richard apparently forgot that bookmaking, compared to which punchboards are hardly worth mentioning, was part of the so-called deal. It is possible that Melvin Richard, who has built his campaigns on his claim that the take from Miami

Beach bookmaking is \$16,000,000 a year forgot about bookmaking when he spoke to the AMVETS, to the St. Louis reporter, to Bob Considine and Drew Pearson and only mentioned punchboards. Or is the truth of the matter that Miami Beach could never have produced a million dollars a year for punchboards, that Richard realized this at last, and that he was forced to promulgate a new fiction in order to make the rest of his story stick.

If Richard's memory appears weakened now, more than a year since he was allegedly offered a bribe, he appears to have been even more forgetful directly after the date on which he claims to have been offered the bribe. That date, by Richard's sworn testimony, was June 15, 1949. On June 22 of that year, however, Richard announced to the press that Ben Danbaum, a man of the highest character who I had introduced to Richard, was his choice for police chief of Miami Beach. And 2 months later, at a regular meeting of the city council, Richard again proposed Danbaum, my selectee for the job, as his candidate. Still later, in October, Richard named me as his choice for membership in the local housing authority. As witnesses I can name Marshal Rothe, Miami Herald reporter, Burnett Roth of our city council (there are six other members besides Richard and Mayor Harold Turk of Miami Beach).

Still another month went by and in November I was unanimously elected a member of the city planning board. Melvin Richard was present and voting. I refer you to the minutes of the city council.

These actions on Richard's part clearly indicate that long after June 15, 1949, I enjoyed Richard's respect and was regarded by him as a valuable member of our community, in spite of the criminal behavior which he now attributes to me as of that date.

These appointments which I had received also indicate something else of importance on my behalf. For several years I devoted the greater part of my time toward helping to make Miami Beach a better place for decent people to live. For a part of this time Richard was my ally. He is now one of the few enemies I have ever had. But I have continued to think in terms of the betterment of Miami Beach, and I shall always do so. I have led an honest, honorable life, I have raised a family of which I am very proud. I have never placed a bet with a bookmaker. I have never taken bets. I have never entered a gambling house.

Gentlemen, I am almost ready for your questions, but before I do that I would like to read into the record the ruling of Judge Holt when he dismissed the indictment against me on a writ of habeas corpus.

This is from the Miami Daily News of March 20, 1950:

HOLT RULES INDICTMENT AGAINST PLISSNER VOID

Circuit Judge George E. Holt ruled today that the grand jury indictment charging Harry Plissner with attempting to bribe Miami Beach Councilman Melvin J. Richard is invalid, illegal, and void.

Plissner had taken the case to the circuit court 10 days ago in a habeas corpus action in which he sought to quash the indictment.

Judge Holt, in a three-page opinion, stated that he saw in the indictment "the ugly and evil specter of a political and partisan battle." He stated that the indictment returned a month ago, does not charge a crime, and he criticized the jury for returning the indictment without seeking the advice of the State's attorney or a competent lawyer.

Referring to the reported \$200,000 bribe Plissner is alleged to have offered Richard to permit "horse-bookings" and punchboard operation at Miami Beach, Judge Holt said:

"The Miami Beach charter fails to disclose in any particular that the office of councilman has any legal authority whatsoever to enforce or relax the enforcement of the laws of that city in this respect.

"It is purely a legislative office, nothing more, nothing less. Responsibility to enforce the laws of the city rests elsewhere.

"It therefore follows that, where one does not possess requisite authority under law to enforce the ordinances of the city, a bribe or an offer of a bribe not to enforce certain regulations certainly does not contravene or violate any law of the city or the State. One cannot be bribed to do something he is powerless to do."

Judge Holt added that "here we find the ugly and evil specter of a political and partisan battle, combined with a dissolved political partnership, being brought into the grand-jury room by one against the other in this personal fight, apparently to punish one of the parties and gain an advantage over him by the other partner."

Since the indictment does not charge a crime, Judge Holt stated, it constitutes a serious invasion of Plissner's constitutional rights.

The action, he wrote, "despoils and abrogates not only the letter of the Constitution but its very spirit. If one is indicted and later acquitted by trial, the shadow and onus of the same will hang over and becloud his name and reputation the rest of his life."

In his opinion, Judge Holt pointed out that the grand jury should not be used as a club by a minority against the majority; by pressure groups seeking to obtain that which has been denied them through other sources; by anyone who wishes to nullify and void the very basis and essence of democratic government: the will of the majority of the people.

"If this be done," he continued "the grand jury be used for these purposes, then every vestige of constitutional liberty and freedom will soon vanish, and a new era of witch-burning and night-riding vigilantes will come upon us; lawlessness will spread over the land——"

The CHAIRMAN. How much longer is that statement?

Mr. PLISSNER. Just one more minute.

The CHAIRMAN. Well, that isn't your statement. You can put it in the record, but that is the statement of a judge, and it doesn't particularly seem to bear on the matter in question here.

Anything else, Mr. Plissner?

Mr. PLISSNER. No. I am ready and willing to answer all questions. Mr. Richards has had a holiday in the Miami Herald and in the Miami Daily News, which have continually been his source of publicity. I have had no opportunity to have a public forum. I am ready and willing to answer any and all questions.

The CHAIRMAN. Mr. Plissner, did you appear before the grand jury that indicted you in this matter?

Mr. PLISSNER. I sent them a letter offering to appear and waive immunity, but they refused to listen to me.

The CHAIRMAN. Mr. Plissner, have you ever been arrested?

Mr. PLISSNER. I was arrested once. I was arrested in Springfield, Mass., because I had sent out some coin-operated digger machines to some people there; and when the police of Springfield, Mass., told them they could not operate they asked them if they would permit them to have a trial. The trial was going to be a test case.

The CHAIRMAN. Mr. Plissner, you were arrested then in connection with some slot machines or something?

Mr. PLISSNER. I volunteered for a trial, and I have here a photostatic copy of a newspaper where I walked in and said, "In order to have a test, I am ready and willing to submit to a test," and here is a photostatic copy of the report of the incident as it appeared in the

papers: "Plissner offers self for test." And this happened in 1935 in Massachusetts.

The CHAIRMAN. Have you been convicted?

Mr. PLISSNER. Yes, sir.

The CHAIRMAN. How much time did you serve?

Mr. PLISSNER. I didn't serve at all. I paid a fine of \$50.

The CHAIRMAN. Well, have you operated any slot machines?

Mr. PLISSNER. I wish to amend that last answer. I was a little excited and said that. I am now calmed down. What I meant was that I had one conviction which was in Springfield, Mass., and that case was a test case where I offered myself. I was arrested about four or five times in my entire life. They had to do with the operation of coin-operated devices. I was in the penny-arcade, shooting-gallery business. In every case the case was dismissed. Four of the cases, I believe, had to do with licenses not being in the machines, and when they were brought into court I said, "The licenses are in there. They probably fell down." Then when they opened them up they found that the licenses were there.

In the fifth case, I believe I was charged with operating a gaming device. It was a penny machine, and when it was brought to court the case was dismissed. So, the only conviction I ever had was this one on a digger machine in Springfield, Mass., and I submitted myself in that case.

The CHAIRMAN. Weren't you arrested quite a number of times in Baltimore—

Mr. PLISSNER. I want to point this out to you—

The CHAIRMAN. And you were convicted in Springfield?

Mr. PLISSNER. I think—

The CHAIRMAN. I don't want to go into the details.

Mr. PLISSNER. I think it is very unfair.

The CHAIRMAN. Let me ask you this: Since about 1933 you have been in the vending-machine business in one way or another up until the time you came to Miami Beach about 2 years ago; is that true?

Mr. PLISSNER. No; that is not true.

The CHAIRMAN. Didn't you start out in New York—

Mr. PLISSNER. I was in the—

The CHAIRMAN. In the Crane Machine Vending Co.?

Mr. PLISSNER. No. My concern was Dreslow & Plissner. We were in the jobbing business, and we sold clocks, watches, and jewelry, and we sold to stores, and we sold to various carnival people. At that time we were promoting some carnival people to buy these digger machines. If we bought them for them, they would operate them and they would buy the goods from us.

That is how we got into the vending-machine business.

The CHAIRMAN. That is the Charles Sales Co.?

Mr. PLISSNER. I don't even know what the Charles Sales Co. is.

The CHAIRMAN. And then you operated the Springfield Novelty Co. in Springfield, Mass.?

Mr. PLISSNER. That was part of the Dreslow & Plissner outfit.

The CHAIRMAN. They were at 175 Fifth Avenue, New York City?

Mr. PLISSNER. That was our main office from which we supplied all our places.

The CHAIRMAN. Louis Blatt, is he your brother-in-law?

Mr. PLISSNER. Yes.

The CHAIRMAN. And after that time you then went down to Baltimore, Md.—

Mr. PLISSNER. And I operated a penny arcade.

The CHAIRMAN. And operated the Mount Royal Novelty Co.?

Mr. PLISSNER. Yes, a penny arcade.

The CHAIRMAN. Were you arrested in connection with that operation?

Mr. PLISSNER. Yes. I just explained. I would like to point out that I was in Baltimore for 7 or 8 years and had the place open 7 days a week and 24 hours a day, and I found myself arrested for only having a license misplaced; and in one incident, where the police thought they had something, we went into court and it was thrown out. They said it was a legal machine.

The CHAIRMAN. After you operated in Baltimore you operated three penny-arcade machines in Fort Meade, Md.?

Mr. PLISSNER. Yes; and to cater to thousands of soldiers and never have a single arrest out in Camp Meade, in a period of 3 years, I think, is a remarkable record.

The CHAIRMAN. After that you opened a warehouse at 641 Washington Boulevard?

Mr. PLISSNER. Yes. I went out and bought a lot of salvage goods, and I went into the manufacturing business.

The CHAIRMAN. You operated a shooting gallery?

Mr. PLISSNER. Yes. I operated four of them.

The CHAIRMAN. So, you are very familiar with the vending-machine business?

Mr. PLISSNER. I certainly am, and I never was in any part of it that was illegal.

The CHAIRMAN. All right, that is all, Mr. Plissner.

Mr. PLISSNER. Thank you very much.

The CHAIRMAN. I believe Mr. Wolfson is here. He has some other engagement, and he has to get away.

Mr. Wolfson, do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WOLFSON. I do.

TESTIMONY OF LOUIS WOLFSON

The CHAIRMAN. Mr. Halley, do you have any matters you want to ask Mr. Wolfson about?

Mr. HALLEY. Your name is Louis Wolfson?

Mr. WOLFSON. Yes, sir.

Mr. HALLEY. What is your business?

Mr. WOLFSON. I am associated in the Capital Transit Co. in Washington, D. C., and am also the largest stockholder in the Merritt, Chapman & Scott Corp. in New York City. I also have other interests in theaters throughout the South and properties throughout Florida and supply businesses in Orlando and Jacksonville, Fla.

Mr. HALLEY. Do you have other businesses?

Mr. WOLFSON. Well, I have stock in other corporations.

Mr. HALLEY. Are you active in the management of any other businesses?

Mr. WOLFSON. No, sir.

Mr. HALLEY. What business interests do you have in Florida?

Mr. WOLFSON. We have theaters in Tampa, Fla.—

Mr. HALLEY. Theaters?

Mr. WOLFSON. Yes. And in Jacksonville, Fla.; supply businesses in Orlando, Fla., and in Jacksonville, Fla. Capital Transit is my principal interest.

Mr. HALLEY. What kind of supplies?

Mr. WOLFSON. Industrial supplies.

Mr. HALLEY. Building supplies?

Mr. WOLFSON. Yes, sir. Also have real estate in Tampa, Fla., and throughout Jacksonville.

Mr. HALLEY. Did you contribute to the campaign of Fuller Warren, the Governor of Florida, in 1948?

Mr. WOLFSON. Yes, sir.

Mr. HALLEY. How much did you contribute?

Mr. WOLFSON. I don't recall exactly now, but it was substantial.

Mr. HALLEY. Would you give your best recollection?

Mr. WOLFSON. It was in excess of \$150,000.

Mr. HALLEY. In excess of \$150,000?

Mr. WOLFSON. Yes, sir.

Mr. HALLEY. Was that a personal contribution by you?

Mr. WOLFSON. Yes, sir; it was.

Mr. HALLEY. Was it solely your own money?

Mr. WOLFSON. Yes, sir.

Mr. HALLEY. You obtained no part of your contribution from anyone else?

Mr. WOLFSON. No, sir.

Mr. HALLEY. In what form did you make your contribution?

Mr. WOLFSON. Part in cash, part by checks.

Mr. HALLEY. How much of it did you contribute in cash?

Mr. WOLFSON. I have no idea.

Mr. HALLEY. Half?

Mr. WOLFSON. No. I think it was less than half.

Mr. HALLEY. And the remainder in checks?

Mr. WOLFSON. Yes, sir.

Mr. HALLEY. To whom did you turn over your checks? I mean, to whom did you turn over your contribution?

Mr. WOLFSON. The original contribution was turned over to Julian Fant who was treasurer of the Warren campaign.

Mr. HALLEY. How much was the original contribution?

Mr. WOLFSON. \$25,000.

Mr. HALLEY. And there were subsequent contributions?

Mr. WOLFSON. Yes.

Mr. HALLEY. How much?

Mr. WOLFSON. I know it exceeded \$150,000, but I don't know the exact amount.

Mr. HALLEY. And to whom were the subsequent contributions made?

Mr. WOLFSON. The majority of it went to Julian Fant—

Mr. HALLEY. Did some of it go to other people?

Mr. WOLFSON (continuing). State treasurer. Yes, sir. It went to other county headquarters.

Mr. HALLEY. Would you state the persons to whom the other contributions went?

Mr. WOLFSON. Some of it was contributed to Dade County. I sent it direct to Dade County headquarters. I also sent it to the Hillsborough headquarters. There were others but those are the—I also sent it to the Jacksonville headquarters. There were others, but those three are the three particularly that I know.

Mr. HALLEY. That is a very substantial contribution you will agree. would you not?

Mr. WOLFSON. Yes, sir.

Mr. HALLEY. As a matter of fact it is far in excess of the amount that is permissible under the State law as you probably know.

Mr. WOLFSON. No, sir. I had no knowledge of any limit on contributions.

Mr. HALLEY. You do know that now, don't you?

Mr. WOLFSON. No, sir; I still do not.

Mr. HALLEY. Whether or not you knew that you realized that you were making a very unusual contribution, did you not?

Mr. WOLFSON. I realized it; yes, sir.

Mr. HALLEY. Would you state your reasons?

Mr. WOLFSON. Fuller Warren had been a long-time friend of mine. With the investments that I and my associates have in the State of Florida and what I saw in the future if Fuller Warren was elected Governor it would be well worth any investment that any businessman would have made and had him elected Governor of Florida.

I think he is one of the outstanding salesmen that I have ever seen and if there is any man that can sell the State of Florida the present Governor of the State of Florida can sell it.

Mr. HALLEY. What investments did you have at that time that would be enhanced?

Mr. WOLFSON. Well, we are one of the largest holders of real estate in Duval County. We also have properties in Tampa, Fla. We have theaters in Tampa and Jacksonville. We probably have assets in excess of \$7,000,000 or \$8,000,000 in the State of Florida.

Mr. HALLEY. Did you discuss your contribution with any persons?

Mr. WOLFSON. Well, yes, I probably did over a period of time.

Mr. HALLEY. With whom did you discuss it during the time of the campaign and prior to the campaign?

Mr. WOLFSON. Well, with the State committee.

Mr. HALLEY. Did you discuss it with William H. Johnston?

Mr. WOLFSON. If I did it was discussed at a finance committee meeting. He probably was present at the time, but I never had any direct discussion with Mr. Johnston.

Mr. HALLEY. Did you know him?

Mr. WOLFSON. Yes. I have seen Mr. Johnston around Jacksonville for the last 10 to 15 years.

Mr. HALLEY. It has been stated that you, Mr. Johnston, and Mr. Griffin agreed to split the cost of the campaign three ways between you. Is that so?

Mr. WOLFSON. Well, when I came into the campaign it was understood that the three of us would carry the bulk of the campaign.

Mr. HALLEY. What were you after, and as for the other two, did you find out what they were after?

Mr. WOLFSON. Yes. I definitely made it clear. When I went into the campaign I stated to the Governor and also to Mr. Johnston and Mr. Griffin that if they had any commitment from the Governor, the

then candidate for Governor I was not interested in making any contribution, I was not interested in having my part in the election of the Governor, of this Governor.

Mr. HALLEY. Did you know at that time that Mr. Johnston was president of several dog tracks in Florida?

Mr. WOLFSON. No, sir. I didn't know his connection. Of course, I knew he was associated with dog tracks, but I didn't know in what capacity. I thought perhaps he was head of the tracks due to the community chest drives and the Red Cross campaigns that I participated in with him to which he always made contributions, but I didn't know he was head of the dog tracks.

Mr. HALLEY. Did you know that he headed a race track in Chicago?

Mr. WOLFSON. Well, not directly, but I have heard hearsay, and I have heard him say that he had to leave the State during the campaign and go up to Chicago to open a horse track.

I wasn't too much interested in what his connections were or what his business interests were.

Mr. HALLEY. Did you study the various Florida election laws carefully at that time?

Mr. WOLFSON. No, sir; I never did.

Mr. HALLEY. Did you know that it was illegal for a man connected with a racetrack to make a contribution to a campaign?

Mr. WOLFSON. No, sir; I didn't know Mr. Johnston was in this campaign until after I got into it, and I had no knowledge of there being any illegality of a man being connected with racetracks.

Mr. HALLEY. You knew that he put in just as much as you did, didn't you?

Mr. WOLFSON. No, sir. I still don't know that any man in the State of Florida put in as much money as I did in this campaign.

Mr. HALLEY. Who handled the finances?

Mr. WOLFSON. Mr. Julian Fant was State treasurer.

Mr. HALLEY. Did you ever ask him for an accounting?

Mr. WOLFSON. No, sir. I had the utmost confidence in Mr. Fant. And when this amount got far in excess of what I originally agreed to put in they approached me and told me the thing was bogging down, and we were to try to stick.

Mr. HALLEY. What did you originally put in?

Mr. WOLFSON. \$25,000.

Mr. HALLEY. That you gave to Mr. Fant originally?

Mr. WOLFSON. Yes, sir.

Mr. HALLEY. Who approached you and told you it would cost more?

Mr. WOLFSON. I was approached by Mr. Fant and Mr. Griffin and probably others telling me there was urgent need for more funds.

Mr. HALLEY. Wasn't it originally agreed that you, Griffin, and Johnston would share the costs of the campaign and keep other money out?

Mr. WOLFSON. Well, I don't think it was a definite agreement. It was talked that the three of us—there was talk that the three of us would carry the bulk of this campaign.

Mr. HALLEY. That is in fact what happened, isn't it?

Mr. WOLFSON. Well, from the information that I have that is apparently what should have happened, but since he was elected Governor there is talk that a lot of other people made contributions that I know nothing about.

Mr. HALLEY. Who are some of the other people?

Mr. WOLFSON. Well, just hearsay. I understand that people locally made \$1,000 contributions or \$500, after the election they said that they had made contributions and asked for consideration.

Mr. HALLEY. What kind of consideration?

Mr. WOLFSON. Well, they never did tell me. Of course, I advised them to go down to State headquarters and tell them.

Mr. HALLEY. Did you expect any consideration for your contribution?

Mr. WOLFSON. No, sir. The only consideration I expected was this, for this governor to be an outstanding governor and sell the State of Florida.

Mr. HALLEY. Well, you were in the business of selling supplies, weren't you?

Mr. WOLFSON. Well, yes. We have sold supplies to the State of Florida for the last 20 years.

Mr. HALLEY. To the State of Florida?

Mr. WOLFSON. Yes, to the State of Florida.

Mr. HALLEY. And have you sold them to the State while Fuller Warren has been Governor?

Mr. WOLFSON. During his time in office we have done less business with the State of Florida than prior to any other administration in the State.

Mr. HALLEY. Was that a surprise to you?

Mr. WOLFSON. No, because it made no difference to us as far as the supply business with the State of Florida is concerned.

Mr. HALLEY. How long have you known Fuller Warren?

Mr. WOLFSON. I would say 15 or 20 years.

Mr. HALLEY. Have you contributed to other campaigns of his?

Mr. WOLFSON. No, sir. This is the first campaign contribution I ever made to him.

Mr. HALLEY. Can you explain why in the past you never contributed to his campaigns?

Mr. WOLFSON. Well, when he ran for Governor in 1940 I wasn't in a financial position to make a contribution that I was in the position to make at a later time. I also never made any contributions to any political campaign during the early forties.

Mr. HALLEY. It has been said that after the campaign was over in 1948 you had a disagreement with Governor Warren and you were quoted in the newspapers as having made statements about gambling in the State of Florida and that you thought there should be a probe about it. Is that so?

Mr. WOLFSON. No, sir. That wasn't exactly the facts.

I would like to state at this time that I have absolutely no connection with crime, have not had any in the past and do not intend to in the future. I am a businessman and I have been a businessman doing manual work all my life. I think all this publicity that is appearing in the papers is hurting this State and some authority ought to dig into this thing and straighten the situation out. The only thing I did was make a statement to the Governor. I made no recommendations. The only thing I told him was that something should be done.

Mr. HALLEY. Did he follow your recommendation?

Mr. WOLFSON. That I cannot answer.

Mr. HALLEY. I have no other questions.

The CHAIRMAN. Mr. Wolfson, how old are you?

Mr. WOLFSON. Thirty-eight.

The CHAIRMAN. Thirty-eight?

Mr. WOLFSON. Yes, sir.

The CHAIRMAN. You have several brothers, I understand.

Mr. WOLFSON. I have four brothers.

The CHAIRMAN. Your home is in Jacksonville?

Mr. WOLFSON. Yes, sir.

The CHAIRMAN. You made a large part of this money in the last few years, I understand, in the last 8 or 10 years.

Mr. WOLFSON. Well, I know that I paid through the companies that I either control with my brothers or have an interest in income taxes an amount on an income in excess of \$7,000,000.

The CHAIRMAN. In excess of how much?

Mr. WOLFSON. \$7,000,000.

The CHAIRMAN. You and your brothers?

Mr. WOLFSON. My family; my brothers and myself; yes, sir.

The CHAIRMAN. How do you operate, as a partnership or do you each operate individually?

Mr. WOLFSON. No, sir. We have many corporations and I think we have a couple of partnerships.

The CHAIRMAN. The Capital Transit Co. is one of your investments?

Mr. WOLFSON. Yes, sir. That is a recent investment.

The CHAIRMAN. You own the controlling stock?

Mr. WOLFSON. Yes, sir, with my brothers and associates.

The CHAIRMAN. It has been stated in the papers—I have forgotten the amount—how much you paid for your interest in the Capital Transit Co.

Mr. WOLFSON. Do you now want to know?

The CHAIRMAN. Yes.

Mr. WOLFSON. Originally \$2,250,000, but we have increased our holdings since then.

The CHAIRMAN. The original investment was just something over a majority?

Mr. WOLFSON. No, sir. It was just below a majority and we have increased it to a majority.

The CHAIRMAN. Was all of this money that you put in the campaign a donation or was some of it loaned?

Mr. WOLFSON. No. The entire amount that I put in the campaign was a contribution.

The CHAIRMAN. It was out of your own personal funds?

Mr. WOLFSON. Yes, sir.

The CHAIRMAN. It wasn't corporate funds?

Mr. WOLFSON. No, sir.

The CHAIRMAN. Mr. Wolfson, do you know Alvin Brody out in Los Angeles?

Mr. WOLFSON. Yes, sir. I met him on two or three different occasions during the Governor's wedding. I think they had open house at his home.

The CHAIRMAN. At 211 Montevio Road, Brentwood, Calif.?

Mr. WOLFSON. I don't know the address, but at his home.

The CHAIRMAN. Do you know Steve Brody?

Mr. WOLFSON. Yes, sir.

The CHAIRMAN. What business were the Brodys in?

Mr. WOLFSON. Well, Mr. Steve Brody was president of the Monogram Pictures Corp.

The CHAIRMAN. Wasn't Alvin Brody one of the directors of Monogram Pictures?

Mr. WOLFSON. No, sir; not to my knowledge.

The CHAIRMAN. Who is Mr. Fagelson? Do you know anyone by that name?

Mr. WOLFSON. No, sir. The name doesn't register.

The CHAIRMAN. Did you buy any interest in the Monogram Pictures?

Mr. WOLFSON. Yes, sir. I was the largest stockholder in Monogram Pictures.

The CHAIRMAN. When did you buy Monogram Pictures?

Mr. WOLFSON. In 1947 or 1948.

The CHAIRMAN. How big an interest did you buy?

Mr. WOLFSON. I had 100,000 shares of stock out of 760,000.

The CHAIRMAN. I mean, how much does your investment represent in money?

Mr. WOLFSON. About \$400,000.

The CHAIRMAN. You had about that much investment or still have?

Mr. WOLFSON. No, sir. I sold my interest.

The CHAIRMAN. You sold your interest out?

Mr. WOLFSON. Yes, sir.

The CHAIRMAN. When?

Mr. WOLFSON. About a year ago.

The CHAIRMAN. Did Monogram Pictures give you a note for about \$300,000 when you sold out?

Mr. WOLFSON. Yes, sir. They gave us a note in excess of \$300,000.

The CHAIRMAN. How much was the note that you got?

Mr. WOLFSON. My original transaction with Monogram also covered some interest in pictures that we had in partnership with Monogram Pictures. We sold out to Monogram for, in the neighborhood, including the stock transaction, of about \$1,250,000 and took about \$586,000 notes.

The CHAIRMAN. Notes of various amounts?

Mr. WOLFSON. Yes, sir.

The CHAIRMAN. What did you do with those notes?

Mr. WOLFSON. Well, a majority of the notes have been paid off. I held the notes and they were paid off on a weekly basis and I also have some notes in trust for some stock I sold and they are paying on the basis of \$5,000 a month to the officers of Monogram and their attorney who bought my interest out.

The CHAIRMAN. Who did you sell the notes to? Who did you sell any of these notes to?

Mr. WOLFSON. I didn't sell any of the notes.

The CHAIRMAN. Did you assign any of them to anybody?

Mr. WOLFSON. Yes, sir.

The CHAIRMAN. Who did you assign them to?

Mr. WOLFSON. Originally I assigned them to the Atlantic National Bank in Jacksonville in trust.

The CHAIRMAN. Who else did you assign them to?

Mr. WOLFSON. I don't recall any other notes that were assigned.

The CHAIRMAN. Were any—

Mr. WOLFSON. I think we held the notes and they were paid on a weekly basis.

The CHAIRMAN. Were any New York people involved in this deal?

Mr. WOLFSON. No. I negotiated with New York banks, but they didn't want to take the notes.

The CHAIRMAN. You didn't assign any notes to anybody who lives in New York?

Mr. WOLFSON. No, sir. To the best of my knowledge, I don't believe I did.

The CHAIRMAN. Did you have one note for \$300,000, do you remember?

Mr. WOLFSON. No, sir. I am pretty sure that I had a note for \$350,000 which was against the stock that is assigned to the Atlantic National Bank in trust.

The CHAIRMAN. The Atlantic National Bank in Jacksonville?

Mr. WOLFSON. Jacksonville; yes, sir.

The CHAIRMAN. Who is it in trust for? *

Mr. WOLFSON. In trust for the Walter E. Heller Co., in Chicago.

The CHAIRMAN. What is that?

Mr. WOLFSON. They operate a commercial credit company. They are a banking institution, commercial banking.

The CHAIRMAN. Did you go out to California in connection with this Monogram Pictures deal?

Mr. WOLFSON. Yes, sir. I have been out there a number of occasions.

The CHAIRMAN. Well, who did you make the transaction with?

Mr. WOLFSON. Closing out the transaction?

The CHAIRMAN. Yes, sir.

Mr. WOLFSON. Mr. George Berle. I think his title is secretary of Monogram Pictures. And their attorney. I don't recall his name. He is general counsel of Monogram. The two of them visited with me in my office and we closed the transaction.

The CHAIRMAN. How did you happen to get interested in Monogram Pictures?

Mr. WOLFSON. Well, we saw the possibility of getting into the motion-picture field. We thought it was a good opportunity. We also thought we had one of the most outstanding motion pictures of modern time, The Babe Ruth Story. And we got deeper and deeper into the motion-picture field after that.

The CHAIRMAN. Who in New York is interested, if anybody, in the Monogram Pictures Co., do you know?

Mr. WOLFSON. No, sir.

The CHAIRMAN. Did you have any dealings with anybody in New York about that?

Mr. WOLFSON. No, sir. My deals were primarily with George Berle and Steve Brody, the president of Monogram.

The CHAIRMAN. Mr. Wolfson, just as a matter of interest you went out. I believe for the wedding in California?

Mr. WOLFSON. Yes, sir.

The CHAIRMAN. Now, tell us you own the Tampa Ship & Drydocks Co.?

Mr. WOLFSON. No. We own the Tampa Shipbuilding Corp.

The CHAIRMAN. How many ships do you have, or, does this company own?

Mr. WOLFSON. Well, the company is liquidated now and all we have is the land and the building.

The CHAIRMAN. What is the Jacksonville company?

Mr. WOLFSON. We operate under the name of Wolfson Bros. in Jacksonville, formerly the Florida Pipe & Supply Co.

The CHAIRMAN. Do you have any ships that are owned by that company?

Mr. WOLFSON. No, sir.

The CHAIRMAN. Do you own any ships at all, or your interests?

Mr. WOLFSON. No, sir. I have a small boat of my own, but that is all.

The CHAIRMAN. Do you have any big transport ships?

Mr. WOLFSON. No, sir.

The CHAIRMAN. Did you have any in the last 2 or 3 years?

Mr. WOLFSON. No, sir.

The CHAIRMAN. This Tampa company—is that a shipbuilding company?

Mr. WOLFSON. Yes. They operated building ships for the Navy during the war, and after the war built ships—35,000 ton ships—for the French Government.

The CHAIRMAN. When you took it over, did it have any ships there?

Mr. WOLFSON. Yes. They had one Navy ship that was incompleated.

The CHAIRMAN. But you never had any ships that could be used for conveying cargo or anything of that sort?

Mr. WOLFSON. No, sir.

The CHAIRMAN. Did you have any dealing with any of the Rockefeller interests in connection with your ship activities?

Mr. WOLFSON. No, sir; not to my knowledge.

The CHAIRMAN. That you know.

Mr. WOLFSON. No, sir.

The CHAIRMAN. Who is the manager of the Tampa company now?

Mr. WOLFSON. Well, the company is liquidated now.

The CHAIRMAN. Who was the manager?

Mr. WOLFSON. The latest president was P. B. Brill.

The CHAIRMAN. And of the Jacksonville company, of the Jacksonville Wolfson company?

Mr. WOLFSON. My brother Saul is president.

The CHAIRMAN. Any further questions?

Mr. HALLEY. Just one question. Did you ever get back any of your contributions to the campaign of Fuller Warren?

Mr. WOLFSON. No, sir. I am not counting on getting it back. I never did expect any of the contributions back.

Mr. HALLEY. And you never did get any of it back?

Mr. WOLFSON. No, sir.

Mr. HALLEY. That is all.

The CHAIRMAN. Thank you very much, Mr. Wolfson. We are sorry to have inconvenienced you.

Mr. WOLFSON. That is quite all right. Thank you.

The CHAIRMAN. The witnesses who are in attendance better contact Mr. Halley or his staff as to when they will be called to appear. The committee finds itself in the position of less than a third of the witnesses being called so that we are going to have to have a night session and then a session tomorrow. I, therefore, suggest that the witnesses in attendance get in touch with Mr. Halley to see which ones will be

called tonight and which tomorrow so as to inconvenience as few people as possible.

The committee will recess now until 8:30 tonight. We will start at 8:30 sharp.

(At 6:30 p. m. a recess was taken to 8:30 p. m.)

EVENING SESSION

The CHAIRMAN. The committee will come to order. In the beginning I neglected to introduce a representative of the Judiciary Committee, Mr. George Green, who is assigned by the Judiciary Committee to assist in this investigation. On my right is Senator Wiley's administrative assistant, Mr. Julius Cahn. Senator Wiley, for reasons beyond his control, is unable to be present. Mr. Julius Cahn is here representing Mr. Wiley, and he is on Mr. Green's right.

Mr. Schine, do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCHINE. I do.

TESTIMONY OF MEYER SCHINE, MIAMI BEACH, FLA.

Mr. HALLEY. Mr. Schine, what is your occupation?

Mr. SCHINE. I am in the theater business and also operate hotels.

Mr. HALLEY. Do you own any hotels in the State of Florida?

Mr. SCHINE. Directly, I don't; no. A corporation owns them and, in turn, a corporation which I have stock in owns them.

Mr. HALLEY. Do you control the Roney Plaza Hotel at Miami Beach?

Mr. SCHINE. Yes; indirectly I control it.

Mr. HALLEY. Do you also control the Boca Raton Club?

Mr. SCHINE. Yes; indirectly.

Mr. HALLEY. Do you also control the Hollywood Beach Hotel?

Mr. SCHINE. No.

Mr. HALLEY. Did you at one time?

Mr. SCHINE. No.

Mr. HALLEY. Just the Roney Plaza and the Boca Raton?

Mr. SCHINE. Well, we also have the McAllister here.

Mr. HALLEY. The McAllister Hotel in Miami?

Mr. SCHINE. Yes; and another hotel and apartment house, known as the Gulfstream.

Mr. HALLEY. Where is that located?

Mr. SCHINE. That is in Miami Beach.

Mr. HALLEY. What is the name of the corporation through which you control the Roney Plaza?

Mr. SCHINE. The name of the corporation is the Schine Theaters.

Mr. HALLEY. You mean that the theater chain owns the Roney Plaza?

Mr. SCHINE. No, sir.

The CHAIRMAN. What is the name, Mr. Schine?

Mr. SCHINE. The Schine Theaters. They don't own it; they own stock.

Mr. HALLEY. What is the direct owner of the Roney Plaza?

Mr. SCHINE. The corporation.

Mr. HALLEY. The stock of the Roney Plaza is held 100 percent by Schine Theaters?

Mr. SCHINE. Yes.

Mr. HALLEY. And you control Schine Theaters?

Mr. SCHINE. My brothers and I own all the stock in the Schine Theaters.

Mr. HALLEY. Mr. Schine, at various times have there been book-making concessions rented out at the Roney Plaza and the Boca Raton Hotels?

Mr. SCHINE. Only twice at the Roney Plaza. I might preface this, if you don't mind. We acquired the Roney Plaza in '44, and I had previously rented a cabana in the place, and when I acquired it I had a chance to know what was going on and immediately we cleaned house.

Mr. HALLEY. When did you acquire it?

Mr. SCHINE. January 1, 1944.

Mr. HALLEY. Through the corporation?

Mr. SCHINE. Yes. And we cleaned out everybody, and we ran strictly without any bookmaking at all.

Mr. HALLEY. For how long?

Mr. SCHINE. For 3 years.

Mr. HALLEY. From 1944 to 1947?

Mr. SCHINE. Yes. But in the meantime I had a great many complaints by the guests. The guests complained, and there was going on bookmaking on the quiet. And I complained to the manager, and the manager said he can't stop it.

Mr. HALLEY. Who was the manager? Was it Carroll at that time?

Mr. SCHINE. Carroll was, up to 1946, and then Lang became manager in '46.

Mr. HALLEY. Neal Lang?

Mr. SCHINE. Neal Lang; yes.

Mr. HALLEY. Is he the same Neal Lang who managed the Wofford Hotel?

Mr. SCHINE. I don't think he ever managed the Wofford. I didn't know that he did.

Mr. HALLEY. Wasn't he connected with the Wofford?

Mr. SCHINE. I didn't know he was connected, except I saw in the paper something about it. I understood he had managed a hotel called the Raleigh.

Mr. HALLEY. He had only been with the Raleigh? Wasn't he one of the original people to go with the Wofford?

Mr. SCHINE. I wouldn't know that. He had left town. When he came back he was hired as assistant manager by Carroll, and then Carroll left us and he took his job as manager. And he was manager there for, I think, 2½ years.

Mr. HALLEY. I show you a copy of a lease between the Roney Plaza Corp. and various individuals. Was the Roney Plaza a corporation?

Mr. SCHINE. Was the Roney Plaza a corporation?

Mr. HALLEY. Yes.

Mr. SCHINE. Well, I don't know what you mean.

Mr. HALLEY. Is there such a thing as the Roney Plaza Corp.?

Mr. SCHINE. I think so.

Mr. HALLEY. When did you buy the Roney Plaza?

Mr. SCHINE. In 1944.

Mr. HALLEY. What month?

Mr. SCHINE. January 1, 1944.

Mr. HALLEY. And the corporation that owned the hotel directly was called the Roney Plaza Corp.?

Mr. SCHINE. I don't know what the name was of the corporation. I think probably that is the name.

Mr. HALLEY. Didn't that corporation, in the beginning of 1944, shortly after you bought the hotel, execute a lease to Harold Salvey and Charles Lebin?

Mr. SCHINE. Oh, I'll tell you what happened. When we took over there was a cigar stand in the lobby, and we had no cigars or cigarettes or newspapers or magazines, and I asked Carroll to get some, and he couldn't, and finally, he brought down this—one of the men—and the lease was made for the cigar stand, and they agreed to pay something like \$5,000 for the lease. And after a week I found they were making book, and we canceled the lease and gave them the money back; but we allowed them to run the cigar stand without rent, provided they didn't make book.

Mr. HALLEY. Didn't you know at that time that Harold Salvey's business was bookmaking?

Mr. SCHINE. No; I didn't.

Mr. HALLEY. You have learned that since; have you not?

Mr. SCHINE. I have seen it in the papers, that is all; but when we found they were making book we canceled the lease and gave them the money back. We agreed to let them stay at the cigar stand without rent.

Mr. HALLEY. Thereafter, you did a lot of bookmaking at the Roney Plaza; did you not?

Mr. SCHINE. No.

Mr. HALLEY. Has there ever been a book there?

Mr. SCHINE. Yes; but I told you for 3 years we didn't have any. Then in '47 the manager called me up—I was North—and he said that it was impossible to keep bookmaking out of the hotel; the guests demanded it and there was a lot of sneak bookmaking, as they call it.

Mr. HALLEY. Who was your manager then?

Mr. SCHINE. Mr. Lang.

Mr. HALLEY. Lang?

Mr. SCHINE. Yes. And I said, "Well, I'm coming up shortly and I will discuss it with you." And I came up and we talked, and I said, "I hate to have it."

"Well," he says, "I've got about nine of them now, but you can't stop the help or the guests or anything. We need one man to run it."

Finally, they did make a deal with someone, who later I found was representing Erickson, but at the time the deal was made it was made with someone else—I don't know his name—by the manager and the general manager. I left for the coast, and when I got back they had closed them up.

Mr. HALLEY. Did you know Erickson?

Mr. SCHINE. I knew him just in a casual way.

Mr. HALLEY. He stayed at your hotel sometimes, didn't he?

Mr. SCHINE. Well, he had a cabana there, but he didn't come there himself. He had a cabana for friends of his who were not connected with his business.

Mr. HALLEY. Before we get into any other hotel, is that the only period during which you had bookmaking at the Roney Plaza?

Mr. SCHINE. Well, the next year we also had it, and they were closed up, and then we didn't have it at all after that.

Mr. HALLEY. What did Erickson pay you for the lease at the Roney Plaza?

Mr. SCHINE. I think he paid—I don't remember exactly—but it was over \$25,000.

Mr. HALLEY. The committee has been told it was closer to \$50,000.

Mr. SCHINE. Well, it might have been closer, but not quite 50.

Mr. HALLEY. Was it over 40?

Mr. SCHINE. I think it was around 40.

Mr. HALLEY. Around 40?

Mr. SCHINE. Yes, sir.

Mr. HALLEY. For the 3-month season at the Roney; is that right?

Mr. SCHINE. Yes.

Mr. HALLEY. And that was on two successive years?

Mr. SCHINE. One year. He wasn't in on the deal the next year.

Mr. HALLEY. In the second year he was not in on the deal?

Mr. SCHINE. No.

Mr. HALLEY. Who was in on the deal then?

Mr. SCHINE. I don't know his name. It was a local man.

Mr. HALLEY. Was it one of the S. & G. men?

Mr. SCHINE. Well, I wouldn't know if he was connected with them. I presume he was.

Mr. HALLEY. Are there records here in Miami which would show it, Mr. Schine?

Mr. SCHINE. I think they should be; yes.

Mr. HALLEY. Was there also bookmaking at the Boca Raton?

Mr. SCHINE. Well, the same would apply in the Boca Raton.

Mr. HALLEY. That there was bookmaking?

Mr. SCHINE. Yes; for about 2 years.

Mr. HALLEY. Who handled the bookmaking at the Boca Raton Club?

Mr. SCHINE. A fellow from Palm Beach, I think.

Mr. HALLEY. Do you remember his name?

Mr. SCHINE. I think his name was—

Mr. HALLEY. O'Rourke?

Mr. SCHINE. O'Rourke, that's right.

Mr. HALLEY. What did O'Rourke pay for the book at the Boca Raton?

Mr. SCHINE. I think he paid something like \$10,000 1 year, and I think he paid about \$20,000 the next year.

Mr. HALLEY. \$20,000?

Mr. SCHINE. I think so.

Mr. HALLEY. Did O'Rourke run that book alone?

Mr. SCHINE. I wouldn't know. I never saw him run it, and I wouldn't know.

Mr. HALLEY. Pardon me, Mr. Schine, but Mr. O'Rourke has testified that he talked directly to you about that book.

Mr. SCHINE. We talked it over, but I didn't make the deal with him.

Mr. HALLEY. Who negotiated the deal at the Boca Raton?

Mr. SCHINE. The manager negotiated it in the Boca Raton.

Mr. HALLEY. Did you speak to O'Rourke about it at all?

Mr. SCHINE. Yes; I talked to him beforehand, in the year before he took it. I found a rather deplorable condition there. Everyone of the caddies and bellboys were making book and the only way I was told was that one man would run it and then they all would stop, and that is exactly what would happen.

Mr. HALLEY. Did you just have one man run it?

Mr. SCHINE. Yes.

Mr. HALLEY. Did you not, in fact, have two men run it?

Mr. SCHINE. What do you mean?

Mr. HALLEY. O'Rourke wasn't there alone, was he?

Mr. SCHINE. I don't know.

Mr. HALLEY. Didn't Erickson actually run the book at the Boca Raton Club?

Mr. SCHINE. No; I don't think so.

Mr. HALLEY. Didn't Erickson actually have that book?

Mr. SCHINE. No. He was the one we dealt with, O'Rourke.

Mr. HALLEY. Weren't Erickson's men actually running it?

Mr. SCHINE. I wouldn't know. I wouldn't know who was there besides O'Rourke, because I never saw them run it.

Mr. HALLEY. Mr. Schine, O'Rourke has testified before this committee that he spoke to you about the operating of the book. As a matter of fact, I think that he said that you sent for him.

Mr. SCHINE. No, I didn't.

Mr. HALLEY. Did he approach you?

Mr. SCHINE. Yes, he approached me.

Mr. HALLEY. And did you offer to let him have the book?

Mr. SCHINE. I told him, after the manager sold me the idea that we can't keep it out, I told the manager to negotiate the deal with him.

Mr. HALLEY. Who talked price with O'Rourke?

Mr. SCHINE. Well, I told the manager what we might expect, and the manager talked price with him.

Mr. HALLEY. Didn't Mr. O'Rourke say that he couldn't handle that book alone, that there was too much money involved?

Mr. SCHINE. No; he didn't say that to me. I know last year we didn't have anybody, and we had to put on 12 detectives to watch it.

Mr. HALLEY. Mr. O'Rourke has a somewhat different version of it. Can you think of any reason why he should not tell the truth?

Mr. SCHINE. I don't know anything about it; but I'm telling the truth.

Mr. HALLEY. He says that he told you he couldn't handle the book alone, and that you said that you would find somebody to take half of it with him, that you brought Mr. Erickson into the picture, at the proper time.

Mr. SCHINE. I think that is a mistake.

Mr. HALLEY. Is that wrong?

Mr. SCHINE. Yes, because I have very little to do with bookmaking. I don't gamble myself, and I have very little knowledge of them.

Mr. HALLEY. Would you say that Mr. O'Rourke was mistaken?

Mr. SCHINE. I would say so.

Mr. HALLEY. It would be a very difficult matter to make a mistake about, though.

Mr. SCHINE. I don't know what he said. I didn't hear what he said; but I am telling you the truth.

Mr. HALLEY. Let me read this to you, and you can make any comment on it that you want. Mr. O'Rourke testifying:

Mr. O'ROURKE. I will tell you how that was, too: In talking to Mr. Schine, he said—in fact, the deal was too much for me to handle for the price that he asked, and I said, "I just can't go for it because I am not that kind of a man," and he said, "I would like to do it," and I said, "I would like to but I can't consider it," and I never met Mr. Erickson and didn't know of him. I knew of him by reputation and he said, "Maybe you can work it around to where it won't be so tough on you," so he gave me Mr. Erickson—where Mr. Erickson was, and I don't know if he made an appointment or if I made an appointment. He was stopping in Miami at the Roney Plaza Hotel, and I said that I would go down and talk to him, so I went down and talked to him and he said, "John, if you want to take a gamble on it, I will go with you."

Mr. SCHINE. I disagree with him. I think he is wrong entirely.

Mr. HALLEY. You disagree?

Mr. SCHINE. Yes.

Mr. HALLEY. You did not mention Erickson to O'Rourke?

Mr. SCHINE. No.

Mr. HALLEY. And to this day you don't know that Erickson had half of the book at the Boca Raton Club?

Mr. SCHINE. No, I don't. I didn't know. I know it now.

Mr. HALLEY. When did you first learn of it?

Mr. SCHINE. I read it in the papers.

Mr. HALLEY. How recently did you read that in the papers?

Mr. SCHINE. Well, that was in New York, during the New York raid they had on Erickson.

Mr. HALLEY. About 2 months ago?

Mr. SCHINE. About 2 months ago, yes.

Mr. HALLEY. And until that time you didn't know that Erickson had half of the book at the Boca Raton Club?

Mr. SCHINE. I didn't know who had it. All I knew was that O'Rourke was the man.

Mr. HALLEY. How did Erickson happen to get the book at the Roney Plaza? How did that take place?

Mr. SCHINE. Well, you see, for 3 years we were accosted by various people to let them make book, and we wouldn't. And because we tried to keep it what you might call an ultraclean hotel we refused to take on anybody, but it got so bad that the help and the guests and the sneak bookings were bad, and finally he came to me and talked to me about it, Erickson, and to me Erickson is no different than any other bookmaker. They all seem to be alike. And I talked it over with the manager, and they all agreed that it would be best to give it to a man who was responsible rather than to one who was fly-by-night, as you might say.

Mr. HALLEY. Whatever the reputation of the S. & G. Syndicate might be here in Miami, they seem to have a good reputation for paying their bills and being responsible.

Mr. SCHINE. I never dealt with the S. & G. at all.

Mr. HALLEY. Why did you find that you could take an outsider, like Erickson, and bypass the S. & G.? That is really what the committee would like to know.

Mr. SCHINE. Well, the question was that if we were going to let the book out, we thought we might as well do it with somebody who was responsible and who will pay his debts and run it quietly, without

having a lot of runners; and that is what they did, but they closed them up very quickly.

The CHAIRMAN. Mr. Schine, where do you live?

Mr. SCHINE. Gloversville, N. Y.

The CHAIRMAN. And do you know Frank Erickson in New York?

Mr. SCHINE. I know him only casually.

The CHAIRMAN. I mean, do you see him and talk with him?

Mr. SCHINE. I saw him in the lobby and barbershop in the Waldorf, and I see him around, but I don't know him well.

The CHAIRMAN. Did you have any business with him in connection with this?

Mr. SCHINE. No.

The CHAIRMAN. Where did you talk with Mr. Erickson about the book at the Roney Plaza?

Mr. SCHINE. He came up to my office.

The CHAIRMAN. Here in Miami Beach?

Mr. SCHINE. In Miami Beach.

The CHAIRMAN. How did he pay you that \$40,000, or whatever it was?

Mr. SCHINE. He didn't pay it. It was done by somebody else. He wasn't directly connected with it.

The CHAIRMAN. Who was it that paid you, sir?

Mr. SCHINE. I don't know. I left for the coast, and the manager made the deal with one of his men, I assume.

The CHAIRMAN. Did you get the money yourself, or did the manager get it?

Mr. SCHINE. No; the check was given to us and deposited in the bank.

The CHAIRMAN. By whom was it signed?

Mr. SCHINE. I couldn't tell you that.

The CHAIRMAN. It was a \$40,000 check, and you don't remember who signed it?

Mr. SCHINE. I wasn't here. When I came back the place was closed; that is, they stopped it.

The CHAIRMAN. Do you only operate these two hotels in Florida?

Mr. SCHINE. No, we operate four.

The CHAIRMAN. I mean, that had bookmaking.

Mr. SCHINE. Yes.

The CHAIRMAN. Where else do you have hotels?

Mr. SCHINE. Well, we have one in Northampton.

The CHAIRMAN. Where?

Mr. SCHINE. In Northampton, Mass., and in Atlantic City, and the west coast.

The CHAIRMAN. What is the hotel in Northampton?

Mr. SCHINE. The Northampton Inn.

The CHAIRMAN. Do you have any bookmaking operations there?

Mr. SCHINE. No, sir.

The CHAIRMAN. How about in Atlantic City?

Mr. SCHINE. No, sir.

The CHAIRMAN. What is your hotel there?

Mr. SCHINE. The Ritz-Carlton.

The CHAIRMAN. And on the west coast?

Mr. SCHINE. The Ambassador.

The CHAIRMAN. At Los Angeles?

Mr. SCHINE. Yes.

The CHAIRMAN. Do you have bookmaking there?

Mr. SCHINE. No, sir.

The CHAIRMAN. What other hotels do you own?

Mr. SCHINE. I think that is all.

The CHAIRMAN. They are all owned by the Schine Theater Co.?

Mr. SCHINE. By the Schine family and the theater company. They are not all owned by the Schine Theaters, but by the Schine family.

The CHAIRMAN. Did the hotel business improve during the years you had bookmaking; was there more business, more customers?

Mr. SCHINE. It was less business when we didn't have it.

The CHAIRMAN. There was more business when you did have it?

Mr. SCHINE. Last year in Boca Raton our business dropped considerably, because we didn't have it.

The CHAIRMAN. Therefore, having bookmakers makes good business for your hotels?

Mr. SCHINE. No. It doesn't make good business. Personally, I don't like it. I really resent it, but the guests seem to like it, and in Boca Raton they have nothing to do but either play golf or play the horses, and if they can't do that they go somewhere else, and that is what happened last year in Boca Raton.

The CHAIRMAN. How do you figure the sum of \$40,000; how do you estimate that as being the value?

Mr. SCHINE. Well, we just asked him 50. Then he offered 25, and it was gotten together that way.

The CHAIRMAN. And then you figured \$20,000 up at Boca Raton?

Mr. SCHINE. Well, we couldn't get any more.

The CHAIRMAN. What did you figure it on, the size of the operation?

Mr. SCHINE. No. It was a question of how many customers they could get, presumably.

The CHAIRMAN. How does that \$40,000 compare with your annual net profit for the operation of the hotel?

Mr. SCHINE. Well, it isn't much at all, comparatively.

The CHAIRMAN. Did that go right into the hotel receipts?

Mr. SCHINE. Yes.

The CHAIRMAN. All right, Mr. Schine, that is all for now. Thank you, sir.

TESTIMONY OF C. V. GRIFFIN, HOWEY-IN-THE HILLS, FLA.

The CHAIRMAN. Mr. Griffin, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. GRIFFIN. Yes.

Mr. HALLEY. What is your business, Mr. Griffin?

Mr. GRIFFIN. Fruit business—citrus.

Mr. HALLEY. Where is your business located?

Mr. GRIFFIN. Howey-in-the-Hills.

Mr. HALLEY. In Florida?

Mr. GRIFFIN. Yes.

Mr. HALLEY. Mr. Griffin, you know Gov. Fuller Warren, of course?

Mr. GRIFFIN. Yes.

Mr. HALLEY. Did you have anything to do with his campaign for Governor?

Mr. GRIFFIN. I helped him finance his campaign.

Mr. HALLEY. Did you handle his campaign as campaign manager?

Mr. GRIFFIN. Well, yes; to a large extent.

Mr. HALLEY. You are largely responsible for its policy?

Mr. GRIFFIN. For what?

Mr. HALLEY. The policy for running the campaign.

Mr. GRIFFIN. I had a lot to do with it.

Mr. HALLEY. Did you personally make a large contribution to that campaign?

Mr. GRIFFIN. Yes, sir.

Mr. HALLEY. How much did you contribute?

Mr. GRIFFIN. Approximately \$154,000, I think. I don't have those figures exactly, but I did at one time release them to the press and they were correct.

Mr. HALLEY. Did you ask any other people to contribute a similar amount?

Mr. GRIFFIN. Yes, sir.

Mr. HALLEY. Would you state to the committee exactly what happened in that connection?

Mr. GRIFFIN. I asked Mr. Wolfson and also Mr. Johnston.

Mr. HALLEY. Who is Mr. Wolfson; is that Mr. Lou Wolfson?

Mr. GRIFFIN. Yes.

Mr. HALLEY. Mr. Wolfson, who just testified?

Mr. GRIFFIN. Yes.

Mr. HALLEY. And who is Mr. Johnston?

Mr. GRIFFIN. Well, he is from Jacksonville.

Mr. HALLEY. That is W. H. Johnston?

Mr. GRIFFIN. W. H. Johnston.

Mr. HALLEY. What did you ask each of them? What was your conversation?

Mr. GRIFFIN. Well, in the beginning—I didn't get in the campaign until late, and the Governor asked me to take charge of his campaign, and I ask Mr. Johnston and Mr. Wolfson to meet with me at a hotel in Jacksonville, and we each contributed, to begin with, \$25,000.

Mr. HALLEY. How long had you know Mr. Wolfson before then?

Mr. GRIFFIN. Oh, I don't remember; some time.

Mr. HALLEY. Some years?

Mr. GRIFFIN. No; not some years. I had known of him for some years, but not personally.

Mr. HALLEY. Would it be a matter of months?

Mr. GRIFFIN. Yes.

Mr. HALLEY. Did you know him as long as 6 months at that point?

Mr. GRIFFIN. I think I knew him that long or longer; knew of him. I wasn't closely acquainted with him.

Mr. HALLEY. Had you and Wolfson become fairly good friends by that time?

Mr. GRIFFIN. Yes.

Mr. HALLEY. Had you visited each other's home?

Mr. GRIFFIN. No, sir.

Mr. HALLEY. Did you have business transactions together?

Mr. GRIFFIN. No; no more than I bought some supplies from his place of business in Orlando.

Mr. HALLEY. What made you pick out Wolfson as the man to go to and ask for a large sum of money?

Mr. GRIFFIN. Well, I just thought he had lots of money.

Mr. HALLEY. Did anybody suggest his name to you?

Mr. GRIFFIN. I don't remember that anyone did.

Mr. HALLEY. Did he come to you, by any chance?

Mr. GRIFFIN. No.

Mr. HALLEY. You went to him?

Mr. GRIFFIN. Yes.

Mr. HALLEY. And you asked him to share in the campaign expenses?

Mr. GRIFFIN. Yes.

Mr. HALLEY. How did you put it to him?

Mr. GRIFFIN. I couldn't answer that question. I just don't remember now, except I told him that I thought that he and I and Johnston, the three of us, could finance the campaign, and he was willing to go along. He knew the Governor, and I had known him for a long time. So we decided to handle the financing.

Mr. HALLEY. You decided to go share and share alike?

Mr. GRIFFIN. Yes.

Mr. HALLEY. How long had you known Johnston?

Mr. GRIFFIN. Well, I hadn't known him much longer than I had Wolfson, except back in 1940 through some attorney I had known him, and I had helped the Governor at that time finance his campaign, and he had made a contribution, a small contribution then. I never actually met him at that time.

Mr. HALLEY. And you agreed to divide the thing share and share alike?

Mr. GRIFFIN. Yes.

Mr. HALLEY. Did you have a joint meeting of the three of you?

Mr. GRIFFIN. Yes.

Mr. HALLEY. At the outset, you each put \$25,000 into a fund?

Mr. GRIFFIN. That's right.

Mr. HALLEY. Was anybody appointed to handle the fund?

Mr. GRIFFIN. Julian Fant.

Mr. HALLEY. Is he a banker?

Mr. GRIFFIN. Yes. He was already handling funds, but there wasn't any funds up until that time.

Mr. HALLEY. Didn't Governor Warren turn some funds over to you at the beginning?

Mr. GRIFFIN. A small amount; very small.

Mr. HALLEY. How much was it?

Mr. GRIFFIN. Well, if I recollect correctly, it was something like, between four and five thousand dollars. It was just three.

Mr. HALLEY. Was it in cash or check?

Mr. GRIFFIN. No; it was in a bank account.

Mr. HALLEY. You took that bank account over?

Mr. GRIFFIN. Yes.

Mr. HALLEY. What was your interest in contributing that large sum of money?

Mr. GRIFFIN. Well, to begin with, I didn't think that it would run into any such figures as it finally ran into, and of course, being interested in citrus and being a big property owner in Florida, I had an interest there, from the citrus standpoint more than anything else, of

getting some legislation that would give us a better quality citrus industry.

Mr. HALLEY. Did you want a citrus commission established?

Mr. GRIFFIN. It was already established.

Mr. HALLEY. What did you want done with the commission?

Mr. GRIFFIN. I didn't particularly want anything done with the commission.

Mr. HALLEY. You didn't want a different type of regulation of citrus standards?

Mr. GRIFFIN. Yes, sir; I had believed for a long time that it would be profitable to the citrus industry to ship more ripe fruit than we had been shipping, and I was going to promote legislation in an attempt to accomplish that end—which we did—and put through the legislature the citrus code.

Mr. HALLEY. After Governor Warren was elected, is that right?

Mr. GRIFFIN. That's right. He agreed not to veto it, and to support it.

Mr. HALLEY. At the start you thought that Johnston was just in the dog track business, is that right?

Mr. GRIFFIN. That's right.

Mr. HALLEY. In Miami and Jacksonville?

Mr. GRIFFIN. At that time I didn't even know he was in Miami. The only thing I knew about it was that he had a dog track in Jacksonville.

Mr. HALLEY. As the campaign progressed did you learn that Johnston had other connections?

Mr. GRIFFIN. I heard that; yes.

Mr. HALLEY. What did you hear?

Mr. GRIFFIN. I don't remember.

Mr. HALLEY. Do you remember talking about it to an investigator for this committee?

Mr. GRIFFIN. Slightly, yes.

Mr. HALLEY. Well, do you remember telling him that you had learned that Johnston was a front for Chicago racketeers?

Mr. GRIFFIN. No, sir.

Mr. HALLEY. If his memorandum shows that, is it possible that that could be true?

Mr. GRIFFIN. I never made any statement like that. It was discussed and the investigator mentioned that, and I told him he had his ideas and probably knew more about it than I did.

Mr. HALLEY. Did you ever find out that Johnston was a front for Chicago racketeers?

Mr. GRIFFIN. No. I never definitely found out.

Mr. HALLEY. Did you ever learn that Johnston was head of the Sportsman's Park Racetrack?

Mr. GRIFFIN. I have heard that; yes.

Mr. HALLEY. When did you hear that?

Mr. GRIFFIN. Oh, I don't remember just when.

Mr. HALLEY. You have heard that that was a racketeer-controlled racetrack, haven't you?

Mr. GRIFFIN. I have heard it. In fact, it has been in the papers all over the country. If you read the papers you couldn't help but see it.

Mr. HALLEY. And didn't you learn of that during the progress of the campaign?

Mr. GRIFFIN. Not during the progress of the campaign. I was too busy. It was probably a few months after the campaign.

Mr. HALLEY. Shortly after the campaign?

Mr. GRIFFIN. Yes.

Mr. HALLEY. Then you began to learn about Johnston, is that right?

Mr. GRIFFIN. That's right.

Mr. HALLEY. And was it at that time that you learned that he was a front for Chicago racketeers?

Mr. GRIFFIN. I never learned that he was a front for Chicago racketeers.

Mr. HALLEY. You did tell that to our investigator, didn't you?

Mr. GRIFFIN. No; I didn't tell that to your investigator.

Mr. HALLEY. Didn't you tell Mr. Rice, who is sitting right here, that you believed that Johnston was sent to Florida by Chicago racketeers?

Mr. GRIFFIN. I agreed with him. He suggested it, and, as I said, it has been in all the papers, and the Crime Commission of Miami said so, and I believe that some of their findings are probably correct, but I hadn't gone to the bother of investigating to find out.

Mr. HALLEY. Mr. Rice approached you as saying that you thought Johnston "didn't own his own soul"; is that right?

Mr. GRIFFIN. Those statements don't agree with my memory.

Mr. HALLEY. How did you contribute the money that you provided for the campaign, in cash or in check?

Mr. GRIFFIN. By checks.

Mr. HALLEY. All of it?

Mr. GRIFFIN. Yes; checks, and eventually I had run out of money, and Mr. Johnston took my note for \$35,000, and Mr. Wolfson took my note for \$35,000 for my part of the campaign, which I later paid off, after it was over.

Mr. HALLEY. Johnston contributed all of his money in cash, didn't he?

Mr. GRIFFIN. I don't remember how he contributed his money.

Mr. HALLEY. You told that to Mr. Rice, didn't you?

Mr. GRIFFIN. No, sir.

Mr. HALLEY. Do you have your original memorandum, Mr. Rice?

Mr. RICE. Yes.

Mr. HALLEY. Mr. Griffin, do you recall, on May 31, 1950, meeting Mr. Rice at your home at Howey in the Hills? You do recall that, do you not?

Mr. GRIFFIN. That's right.

Mr. HALLEY. Do you recall talking to him?

Mr. GRIFFIN. Yes, sir.

Mr. HALLEY. And do you recall that shortly before that you had given some information to the Florida newspapers?

Mr. GRIFFIN. Yes, sir.

Mr. HALLEY. What had you told the Florida newspapers? You made a statement to the papers, didn't you?

Mr. GRIFFIN. I made a statement. I don't want to add or subtract anything that I said. If I at any time said anything about Mr. Johnston, I don't remember.

Mr. HALLEY. Can you remember what you told the press now?

Mr. GRIFFIN. I can't remember what I told the press 6 months ago.

Mr. HALLEY. In substance what did you say?

Mr. GRIFFIN. In substance I was asking the Governor to enforce the gambling laws and keep his oath of office, and I still feel the same way.

Mr. HALLEY. Did you believe that he was not enforcing the gambling laws at that time?

Mr. GRIFFIN. I didn't see where they were being enforced, and I asked him many, many times to enforce them.

Mr. HALLEY. In fact, right after he was elected you caused yourself to be named special investigator, did you not?

Mr. GRIFFIN. No. It was several months after he was elected.

Mr. HALLEY. How long after?

Mr. GRIFFIN. I don't recall just exactly now.

Mr. HALLEY. Was it early in 1949?

Mr. GRIFFIN. I would say, offhand, it was in the middle of 1949. I would have to look it up to verify that date. He did appoint me as chief investigator.

Mr. HALLEY. How long did you serve as chief investigator?

Mr. GRIFFIN. Until he fired me.

Mr. HALLEY. Until when?

Mr. GRIFFIN. Until I was fired.

Mr. HALLEY. Who fired you?

Mr. GRIFFIN. The Governor.

Mr. HALLEY. How did that happen?

Mr. GRIFFIN. Apparently he didn't agree with my way of thinking.

Mr. HALLEY. What was your way of thinking; did you have any discussions with Governor Warren?

Mr. GRIFFIN. Several; yes.

Mr. HALLEY. Would you state what they were?

Mr. GRIFFIN. Well, I mostly referred to the findings of the Crime Commission here in Miami, and that the situation didn't look right, and I asked him to do something about it.

Mr. HALLEY. You had been appointed chief investigator? Did you try to do anything about it?

Mr. GRIFFIN. I told him I was going to.

Mr. HALLEY. Were you permitted to investigate as you saw fit?

Mr. GRIFFIN. I was permitted, but nothing that I recall was ever accomplished; nothing ever done.

Mr. HALLEY. Did you come down to Miami and begin to investigate?

Mr. GRIFFIN. I didn't have to come to Miami. Lots of people would come to me, and they told me about different conditions, and that is how I found out what I found out.

Mr. HALLEY. What did people tell you?

Mr. GRIFFIN. Well, about gambling conditions and just about various things.

Mr. HALLEY. Did they tell you that the law was not being enforced in Miami?

Mr. GRIFFIN. Yes.

Mr. HALLEY. Did they make charges about the law-enforcement authorities?

Mr. GRIFFIN. They made charges about authorities in Miami and various other places.

Mr. HALLEY. Did you tell all of that to the Governor?

Mr. GRIFFIN. I had several discussions with him about it.

Mr. HALLEY. And then you resigned?

Mr. GRIFFIN. I didn't resign. He fired me.

Mr. HALLEY. For what reason did he fire you?

Mr. GRIFFIN. I imagine he had a good reason to fire me. I don't know what his reason was. He never gave me any reason. He announced my appointment, and the next day I was fired; so, that is all I can say about that.

Mr. HALLEY. You mean you served for only 1 day?

Mr. GRIFFIN. No. I had been chief investigator for several months, but I hadn't exercised any of my authority, and I don't think that anybody knew that he had appointed me chief investigator, because I had a citrus business to look after and I didn't particularly want to be identified as an investigator unless it became necessary.

Mr. HALLEY. As an investigator what did you investigate?

Mr. GRIFFIN. What did I investigate?

Mr. HALLEY. What did you do about investigating?

Mr. GRIFFIN. I was getting ready to do something, but I didn't get the opportunity.

Mr. HALLEY. What did you need in order to have the opportunity? Did you ask for any authority?

Mr. GRIFFIN. He had given me the authority.

Mr. HALLEY. Did you need funds?

Mr. GRIFFIN. Well, I volunteered to do it without funds. I felt like I had made quite a contribution to the campaign, and I just believed in better government than it looked like we were getting, so, after discussing these things with him several times, I told him to announce my appointment as chief investigator; so, the announcement came out. It apparently was all right until a day or two later; then he fired me.

Mr. HALLEY. Do you think that somebody objected to your being named chief investigator?

Mr. GRIFFIN. I imagine somebody did.

Mr. HALLEY. Have you any idea about who it might have been?

Mr. GRIFFIN. I have my ideas.

Mr. HALLEY. Bill Johnston?

Mr. GRIFFIN. Well, I wouldn't want to say it was Bill Johnston. It might have been Bill Johnston.

Mr. HALLEY. Didn't you tell that to Downey Rice?

Mr. GRIFFIN. I made a statement that Bill Johnston was in Tallahassee the day that I got fired. That is as much as I told Mr. Rice.

Mr. HALLEY. Do you think that Bill Johnston went to Tallahassee to see the Governor?

Mr. GRIFFIN. It's possible that he did.

Mr. HALLEY. And the next thing that happened was that you got fired?

Mr. GRIFFIN. That's right. I got fired.

Mr. HALLEY. Can you state any reason why Bill Johnston would not have wanted you to investigate gambling in Florida?

Mr. GRIFFIN. Well, I suppose that there are plenty of reasons. I don't suppose I can state any of them. I probably wanted some of the law-enforcement officers to enforce the law; that would have been my intention.

Mr. HALLEY. Did you ever talk about it with Johnston?

Mr. GRIFFIN. No; I can't say that I ever did.

Mr. HALLEY. Did you know this investigator that they call "Bing" Crosby?

Mr. GRIFFIN. Yes, sir.

Mr. HALLEY. Did he work for you?

Mr. GRIFFIN. No.

Mr. HALLEY. Or under your direction?

Mr. GRIFFIN. No, sir.

Mr. HALLEY. Did you know that he had come to Miami to make an investigation?

Mr. GRIFFIN. I had been told that; yes.

Mr. HALLEY. Who told you that?

Mr. GRIFFIN. Oh, various people. I don't remember who.

Mr. HALLEY. Did you know whether he had made one?

Mr. GRIFFIN. Whether Crosby had made an investigation? I had heard that he had been down there.

Mr. HALLEY. Did he come back to Tallahassee or to Jacksonville with any findings?

Mr. GRIFFIN. I don't know.

Mr. HALLEY. Did you ever discuss Crosby's investigations with Johnston?

Mr. GRIFFIN. No.

Mr. HALLEY. Or with Rush? Do you know Mr. Rush?

Mr. GRIFFIN. Yes; I do know Mr. Rush.

Mr. HALLEY. Did you ever discuss Crosby's investigations with Rush?

Mr. GRIFFIN. No.

Mr. HALLEY. Crosby was fired too, was he not, or at least called off the investigation?

Mr. GRIFFIN. That I don't remember.

Mr. HALLEY. You don't remember?

Mr. GRIFFIN. It seems to me like he was called in to Tallahassee, but I don't recall.

Mr. HALLEY. Well, he came to Miami and started investigating; is that right?

Mr. GRIFFIN. He had been investigating.

Mr. HALLEY. And then he was called to Tallahassee? Is that right?

Mr. GRIFFIN. I believe he was.

Mr. HALLEY. Did he do any more investigating in the Miami area after that?

Mr. GRIFFIN. Well, it's my opinion that he is still investigating. I suppose he is still investigating.

Mr. HALLEY. Is he actively investigating?

Mr. GRIFFIN. I couldn't answer that. I don't know.

Mr. HALLEY. You were investigator for some months, but you didn't do anything; is that right?

Mr. GRIFFIN. I didn't do anything; no. Nobody at that time knew that I was an investigator.

Mr. HALLEY. Now, you have mentioned \$154,000 that was put into the campaign. Did you put your own money in?

Mr. GRIFFIN. I put my money and my partner's, who is in business with me; the two of us contributed.

Mr. HALLEY. Did you get any money from any other person?

Mr. GRIFFIN. No.

Mr. HALLEY. Do you know whether Johnston got money from any other person?

Mr. GRIFFIN. I don't know where Johnston's money came from.

Mr. HALLEY. It was all cash?

Mr. GRIFFIN. I can't say it was all cash.

Mr. HALLEY. Did he have any books, do you know?

Mr. GRIFFIN. If he did, I didn't see them.

Mr. HALLEY. As a matter of fact, didn't you tell Mr. Downey Rice that Mr. Johnston kept his book in his hip pocket?

Mr. GRIFFIN. I never saw any books, if he had any.

Mr. HALLEY. You also mentioned that you didn't know that he had any office, that he just had a home in Jacksonville?

Mr. GRIFFIN. I don't know yet whether he has an office or not. The only time I ever saw Johnston was when we needed to put up some money, and we would agree on the amounts, and the money was given to the treasurer, and he handled the disbursing of most of the funds until the end of the campaign, which ran out of money, and Mr. Wolfson and Mr. Johnston just paid the bills. I think it was a large sum of money and that it didn't go through the campaign headquarters. I gave him my notes for my one-third.

Mr. HALLEY. Where did Johnston bank, do you know?

Mr. GRIFFIN. I don't know.

Mr. HALLEY. Was it the Continental Bank in Chicago?

Mr. GRIFFIN. I don't know.

Mr. HALLEY. You don't know?

Mr. GRIFFIN. I think it was Jacksonville.

Mr. HALLEY. In Jacksonville?

Mr. GRIFFIN. My bank is the Continental Bank in Chicago.

Mr. HALLEY. Your bank?

Mr. GRIFFIN. He might have banked there. I don't know where he banked.

Mr. HALLEY. Did you ever get any checks from him on the Continental Bank?

Mr. GRIFFIN. One time he gave me a check, and I didn't get the amount and I don't remember the bank, but I feel certain that the man that handled the financing can still give you that.

Mr. HALLEY. But didn't you tell Mr. Downey Rice that he banked in the Continental Bank in Chicago?

Mr. GRIFFIN. No, sir.

Mr. HALLEY. Does Mr. Rice remember you as having said that he was mistaken?

Mr. GRIFFIN. I don't even remember the Continental Bank. It might be that I got a check on the Continental Bank at one time. He gave me a check one time.

Mr. HALLEY. But you told Mr. Rice, did you not, that Johnston told you that his bank was the Continental Bank in Chicago?

Mr. GRIFFIN. Well, I think I have heard him mention that he did business with the Continental Bank. I think it was also the Atlantic Bank in Jacksonville, but I wouldn't want to make that as a statement.

Mr. HALLEY. Didn't you also tell Mr. Rice, as the situation progressed, that the thing became apparent to you that Johnston's motive for contributing to the campaign was to insure protection of gambling enterprises in Florida?

Mr. GRIFFIN. I don't remember making any statement substantially like that. The discussion did come up about the functioning of—it had

been in the papers. Mr. Rice knew what Mr. Johnston's business was and I never said "Yes" or "No."

Mr. HALLEY. Did Mr. Rice put all these things in the memorandum that he wrote? Would he be mistaken?

Mr. GRIFFIN. It could be he didn't make any memorandum when he was there with me.

Mr. HALLEY. Well, if he wrote one shortly after he left you and put all these things down, would he be mistaken?

Mr. GRIFFIN. I wouldn't say he would be mistaken about any of them but I am certain that what——

Mr. HALLEY. Did Mr. Rice take some notes right in your presence?

Mr. GRIFFIN. No. When I saw him he was there about 3 hours.

Mr. HALLEY. Didn't he make the notes while you talked?

Mr. GRIFFIN. I don't remember him making any notes.

Mr. HALLEY. What was your motive for making the contributions?

Mr. GRIFFIN. My motive? I liked Fuller Warren. I know him since college. I am in the citrus business and own and operate and control several thousand acres of citrus. I wanted to see better government and I thought I was going to get it.

Mr. HALLEY. You also wanted to get your partner on the citrus commission, didn't you?

Mr. GRIFFIN. Naturally I would like to get him in. Naturally I would want my associate as chairman, which he was.

Mr. HALLEY. He was your business partner?

Mr. GRIFFIN. Yes.

Mr. HALLEY. And he went on the commission as chairman; is that right?

Mr. GRIFFIN. I worked on the commission as chairman.

Mr. HALLEY. And you got appointed through the committee as a special investigator?

Mr. GRIFFIN. I got my appointment as chief investigator before I got on. I don't remember the dates, but it was sometime along about the same time.

Mr. HALLEY. Between the time you were appointed and the time you were fired, did you make any trips at all to Miami or Miami Beach?

Mr. GRIFFIN. Not as an investigator.

Mr. HALLEY. I didn't ask you that. Did you make any trips as investigator?

Mr. GRIFFIN. Yes; I was in Miami.

Mr. HALLEY. How often?

Mr. GRIFFIN. I think twice.

Mr. HALLEY. Where did you stay when you came to Miami?

Mr. GRIFFIN. At the McAllister.

Mr. HALLEY. McAllister Hotel?

Mr. GRIFFIN. Yes.

Mr. HALLEY. And did you have any discussions with any people in Miami?

Mr. GRIFFIN. Some people discussed some things with me while I was down here.

Mr. HALLEY. Did you discuss the gambling situation with anybody?

Mr. GRIFFIN. Not any more than I had to. A lot of people wanted to discuss it and I couldn't help but discuss it.

Mr. HALLEY. With whom did you discuss it, the gambling situation?

Mr. GRIFFIN. I don't just remember. There were so many of them that discussed it or tried to that I just can't recall.

Mr. HALLEY. Do you recall calling on the commissioners?

Mr. GRIFFIN. No.

Mr. HALLEY. Did you call on the sheriff?

Mr. GRIFFIN. No.

Mr. HALLEY. Or the chief of police?

Mr. GRIFFIN. No.

Mr. HALLEY. You made no attempt to investigate at all?

Mr. GRIFFIN. I didn't make any attempt. I heard lots about it from lots of people, but I wasn't investigating.

Mr. HALLEY. Did you talk to Johnston about it?

Mr. GRIFFIN. You couldn't get on the street without hearing about it, or getting in a taxicab.

Mr. HALLEY. Well, you were getting a lot of street talk, but did you try to get facts?

Mr. GRIFFIN. I got what seemed to me to be substantially the truth of what was happening.

Mr. HALLEY. In those months who did you go to in your official capacity to attempt to accomplish something?

Mr. GRIFFIN. I don't recall going to anybody. I was fixing to. When I asked the Governor to appoint me as chief investigator I had been here in these rooms, and I told Fuller that it was looking like it is getting to the point where somebody was going to have to stop it, and he seemed to be very pleased about my being the one to do it.

Mr. HALLEY. Had you told Johnston that you were going to ask Fuller Warren to make your appointment? Did you make that public?

Mr. GRIFFIN. No.

Mr. HALLEY. Until one day later when Johnston did get to Tallahassee; is that right?

Mr. GRIFFIN. I think he got there the day after he read it in the newspapers.

Mr. HALLEY. Then you are pretty sure he got there; is that right?

Mr. GRIFFIN. Yes.

Mr. HALLEY. Are you pretty sure that Johnston got to see the Governor?

Mr. GRIFFIN. I can't say that I actually saw Johnston on the day after my appointment was announced. I did talk to him on the street, though.

Mr. HALLEY. Where did you see him on the street?

Mr. GRIFFIN. About a block from the capitol, across the street.

Mr. HALLEY. Was he heading in the direction of the capitol?

Mr. GRIFFIN. He was heading away from it.

Mr. HALLEY. Was he coming from the direction of the capitol?

Mr. GRIFFIN. He was leaving.

Mr. HALLEY. He was leaving the capitol?

Mr. GRIFFIN. I didn't say. He could have been anywhere. He wasn't a block away from the capitol.

Mr. HALLEY. Did you hear whether or not he saw the Governor that day?

Mr. GRIFFIN. I didn't hear, but the next day, the next morning or that night, I read in the papers the fact that the Associated Press called up and told me I had been fired. I didn't even know about it.

Mr. HALLEY. Then you issued a statement blasting Governor Warren?

Mr. GRIFFIN. I started issuing statements.

Mr. HALLEY. And did you also speak to Johnston after that?

Mr. GRIFFIN. I don't recall ever seeing Johnston since that time. It was a good while before that time.

Mr. HALLEY. Did you speak to him about the investigation?

Mr. GRIFFIN. No; I never mentioned it.

Mr. HALLEY. At any time?

Mr. GRIFFIN. No.

Mr. HALLEY. What did you think Wolfson wanted out of the governorship? Why was he contributing?

Mr. GRIFFIN. Well, I never have been able to figure out what he wanted out of it. He liked Fuller and told me that he wanted to see him make a good Governor. He never asked me for any commitments in any way. In fact, neither one of them. Wolfson or Johnston never did. If they got any, they got them from the Governor after the campaign.

Mr. HALLEY. I have no other questions.

The CHAIRMAN. Mr. Griffin, did you, or to your knowledge did Johnston and Wolfson have anything to do with the bill that changed the laws for political gains?

Mr. GRIFFIN. Not to my knowledge.

The CHAIRMAN. Do you know it was illegal, that there was a legal limit at the time of election, and that was repealed shortly afterward?

Mr. GRIFFIN. I can't see—I know there was a legal limit, but I can't see that in any way where individuals couldn't spend as much money as they wished. We never made any contributions to the Fuller Warren campaign except \$500 a week to travel on. We got that much.

The CHAIRMAN. Do you mean all the rest was spent for advertising and expenses?

Mr. GRIFFIN. Yes, sir. I will have to say that.

The CHAIRMAN. Don't you think it is better to have a lot of people putting in some money rather than two or three people?

Mr. GRIFFIN. Well, we had a whole lot of them. I think in the course of the campaign we had many contributions. After I got into it, it was late in the campaign. We didn't turn down any money, but all told, it didn't amount to more than \$12,000 or \$15,000.

The CHAIRMAN. Don't you think that a person contributing such a large amount might feel an obligation to that person?

Mr. GRIFFIN. Well, I think he could feel under obligation. I have told the Governor that as far as my contribution was concerned, he could forget it.

The CHAIRMAN. But he hadn't been in long before you asked him to be chief investigator?

Mr. GRIFFIN. Quite some time.

The CHAIRMAN. How much does that pay?

Mr. GRIFFIN. It paid nothing. I wouldn't accept anything for it.

The CHAIRMAN. Do you mean you just had an honorary position?

Mr. GRIFFIN. I never got any compensation out of anything.

The CHAIRMAN. Did you pay off Mr. Johnston and Mr. Wolfson?

Mr. GRIFFIN. I paid them both.

The CHAIRMAN. That has all been settled up?

Mr. GRIFFIN. Yes.

The CHAIRMAN. Did you all know that it was a violation of a State law to make a campaign contribution at that time?

Mr. GRIFFIN. I didn't contribute any money to the campaign. I just paid advertising expenses. I could advertise Pet Milk if I wanted to, if I wanted to spend my money that way.

The CHAIRMAN. So of course it didn't come from the Governor directly. You weren't helping him directly?

Mr. GRIFFIN. I was helping him get elected, and I considered him my friend and I felt that I could spend my money the way I saw fit.

The CHAIRMAN. Did you ever consider contributing, or did you ever contribute any funds before?

Mr. GRIFFIN. No, I didn't. I didn't think I was going to to this one either when I started.

Mr. HALLEY. Did you ever tell anybody that Johnston was a front for the Chicago mob?

Mr. GRIFFIN. Not to my memory.

Mr. HALLEY. Do you recall being called on the telephone just after your public announcement?

Mr. GRIFFIN. By whom? Who was that?

Mr. HALLEY. Do you recall being called on the telephone by any newspapers just after your public announcement? Do you remember being called by a newspaper correspondent by the name of Mr. Link?

Mr. GRIFFIN. I was called by so many I wouldn't recall. They were calling me day and night.

Mr. HALLEY. Didn't you tell him in so many words that Johnston was a front for the Chicago mob?

Mr. GRIFFIN. No, sir.

Mr. HALLEY. No more than you told Downey Rice that?

Mr. GRIFFIN. I told him if he called me he could have any one of my press releases assuming he would pay for them. I told him he could have them as soon as anyone else. I told them all that. I didn't talk to any of these others.

Mr. HALLEY. In fact, you said Johnston had an account at the Continental?

Mr. GRIFFIN. I don't know that he has an account at the Continental now. I think he has mentioned that the Continental Bank is the one he did business with in Chicago.

Mr. HALLEY. And didn't you tell that to these newspaper correspondents?

Mr. GRIFFIN. No, sir.

Mr. HALLEY. Didn't you?

Mr. GRIFFIN. I had no occasion to even discuss it with anybody.

Mr. HALLEY. Didn't you even also tell him Johnston had contributed at least \$50,000?

Mr. GRIFFIN. Fifty thousand?

Mr. HALLEY. Yes.

Mr. GRIFFIN. If I would have told him anything, I would have told him he would have contributed the same amount I did.

Mr. HALLEY. At that point you weren't telling anyone how much anybody had contributed?

Mr. GRIFFIN. Not telling them until one newspaper would get one story and another newspaper would get another one, and finally they began adding them up. So one day I asked my accountants to give me a figure of what my books showed, and gave it to them.

Mr. HALLEY. Would you say that both Mr. Link and Mr. Rice were in error or mistaken when they both say that you told them that, when you told them that Johnston was a front for the Chicago mob?

Mr. GRIFFIN. I don't remember talking to Ted Link. I don't know who he is.

Mr. HALLEY. Didn't he call you on the phone?

Mr. GRIFFIN. I don't ever remember him calling me. Who does he work for, or who is he?

Mr. HALLEY. He works for the Post-Dispatch at St. Louis.

Mr. GRIFFIN. The Post-Dispatch called me in St. Louis, and I told them I had no comments, if that is where he works.

Mr. HALLEY. You didn't comment at all. Do you think that he is just making the whole thing up?

Mr. GRIFFIN. I told him if he wanted to pay for my releases I would wire them to him.

Mr. HALLEY. Do you think that he just is making up the story?

Mr. GRIFFIN. If he has made that statement. He said, "If I come down there won't you give me a release," and I said, "You can have them just like anybody else, and when I get ready to say something, you can release it to all the press."

The CHAIRMAN. All right, thank you, Mr. Griffin.

Will Mr. Julian E. Fant come forward, please?

Mr. Fant, do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. FANT. I do.

TESTIMONY OF JULIAN E. FANT, TREASURER, WARREN CAMPAIGN FOR GOVERNOR

The CHAIRMAN. All right, let's get along with the hearing.

Mr. HALLEY. Have you brought your records here?

Mr. FANT. They are in the possession of the committee somewhere.

Mr. HALLEY. You turned them over to us sometime ago?

Mr. FANT. Yes. These are the books and records.

Mr. HALLEY. Will you identify the books and records, please?

Mr. FANT. Yes, sir. These are the general books. These are the past books and memorandums, and these various files in here are travel expenses and Western Union; petty cash and payrolls and so forth. These are miscellaneous items, chiefly related to multigraphing, and here is a file on savings accounts. The remainder of this, gentlemen, is canceled checks and checkbooks, all of which are supporting these general books here.

I would like to state, first, that, at the time I was appointed treasurer, I went to the agent in charge of the collector of internal revenue's office in Jacksonville, Mr. Harry Howard, and advised him that I had been made treasurer.

Mr. HALLEY. Do you mean treasurer for the Warren campaign for Governor?

Mr. FANT. Yes. I told him that I would like to keep the books in a satisfactory fashion and that I would keep possession of them and that they would be available to him at any time.

Mr. HALLEY. Who asked you to serve as treasurer?

Mr. FANT. There was not any individual, Mr. Halley, that asked me to serve as treasurer. I sort of got that job wished off on me by a group of people up here. But to name the group exactly, sir, I wouldn't be able to do it. I could name some of them. J. Turner Butler was one; John Mathews was one; Mr. Whatley was one; Robert Smith of the A & P store was one. There were probably all told, I should assume, anywhere from 7 to 12 to 15 people.

Mr. HALLEY. Did you talk directly to Griffin about it?

Mr. FANT. I don't think so, sir.

Mr. HALLEY. Didn't he instruct you to start the campaign—the fund-raising campaign?

Mr. FANT. No, sir; he didn't. I didn't raise any funds, Mr. Halley.

Mr. HALLEY. You just disbursed them; is that right?

Mr. FANT. That is right. I received the funds and disbursed them. The mechanics of the thing is this: Mr. Frank Wright was campaign manager, and when Mr. Wright would send down a bill with his O. K. on it, then we would issue a check predicated on that.

Mr. HALLEY. Now how much money passed through your hands?

Mr. FANT. Let's see. Through my hands passed \$262,389.96. There was \$22,550 that was spent through Mr. Wolfson for advertising in the second primary of the campaign. The thing became so hectic that I just declined to fool with the advertising money. It was coming in one day and running out the next. It looked just like I would have to quit in order to do it—just like I would have to quit business. So I just told him to take this off my hands. They were busy making decisions right and left up there and making commitments, and I just didn't feel I was competent to do it.

Mr. HALLEY. In addition to the money that passed through your hands, there were other large sums of money that you did not handle, were there not?

Mr. FANT. Well, I can't say that there were other large sums of money that I didn't handle, but there must have been other sums of money that I did not handle if they spent \$153,000 apiece on it.

Mr. HALLEY. You heard their given testimony on it?

Mr. FANT. Yes, sir. While I am confident that it must not have—that is all I got and all I spent.

Mr. HALLEY. From whom did you get it?

Mr. FANT. Well, now, let's take a look. I guess probably about 90 percent of that money came from Mr. Wolfson, Mr. Johnston, and Mr. Griffin. There were three accounts opened. The Taxpayers' League Trustee account was opened on February 9, 1949, with a deposit of \$49,100, which consisted of \$25,100 in cash and a check drawn by the Bank of Taveres on the Barnett National for \$24,000. There were subsequent deposits in that account, on the 24th of February a check from Mr. Wolfson for \$25,000. On April 10 a check from Mr. Wolfson for \$6,000 and on the 24th a check from Mr. Wolfson for \$13,000. Those funds were subject to withdrawal on my signature, countersigned by either Mr. Griffin or Mr. Dodge Taylor, his associate. All of those funds were transferred simply into the active or expenditure account. Nothing further was put into that particular account because Mr. Griffin and Mr. Taylor were probably never available for countersignature.

Mr. HALLEY. How did the money come into your hands—in the form of cash or check?

Mr. FANT. It came in both ways. I have here a cash item of \$13,800.

Mr. HALLEY. From whom? Do you have a list there that you could turn over to the committee?

Mr. FANT. Yes, sir; I do, except that I wouldn't be able to state exactly from whom each item of cash comes, except that I think it comes from either one of those three gentlemen. There were other contributions made to the campaign; for example, John Mathews had a contribution of about \$7,000 that Mr. Kipnites made for him.

Mr. HALLEY. Who is Mathews?

Mr. FANT. Mathews was the State senator in Duval County at that time.

Mr. HALLEY. A man named Mathews was described yesterday as having been attorney for a man named Sam Bratt, and also as a State senator.

Mr. FANT. I don't know, to be perfectly honest to you, but that man is a State senator and he is an attorney.

Mr. HALLEY. And did you say he gave \$7,000?

Mr. FANT. Yes, sir.

Mr. HALLEY. I don't see that on any of your lists?

Mr. FANT. No, sir; he isn't there on any of these lists, but it is in one of the memoranda here.

Mr. HALLEY. Who else made contributions?

Mr. FANT. Well, let's see. I have here a group of minor contributions, because, frankly, with the exception of those three major ones, it didn't amount to anything.

Mr. HALLEY. Why don't you hand over that stuff so the committee can have the benefit of looking at it?

Mr. FANT. It is on here, the names, J. McNulty, H. Bartleson, George Topper, Allen Chase, Walter Warren, Charles Isler—

The CHAIRMAN. We are not interested in all those names, Mr. Fant.

Mr. HALLEY. There were, in addition to your funds, a great many local campaign funds raised for the Warren campaign that never went through your hands; is that right?

Mr. FANT. Oh, yes, sir; because this merely opened and operated the State campaign headquarters and the State advertising and the State radio.

Mr. HALLEY. So that the—

Mr. FANT. The various county funds were all handled without us having anything whatever to do with them.

Mr. HALLEY. Your principal duty was to disburse the sum of \$262,000; is that right?

Mr. FANT. I personally disbursed the sum of \$262,389.96. There was an additional \$22,550 that was disbursed by Mr. Wolfson, totaling \$284,939.96.

Mr. HALLEY. And that was just a portion of the cost of the total campaign?

Mr. FANT. That covered the first and second primaries of the campaign; and, as I say, by the end of the second primary I was so confused and exhausted from fooling with the thing that I didn't care to carry on any further.

The CHAIRMAN. Mr. Fant, you have been around here and heard the testimony. Were any of these so-called large-time operators or gamblers, or racketeers, sought for campaign purposes, or did they contribute?

Mr. FANT. Well, I haven't seen anybody, Mr. Kefauver.

The CHAIRMAN. I didn't mean by you. You were just the treasurer.

Mr. FANT. Not to my knowledge, anyone. I have heard William Johnston bandied around a good bit here in this connection, but, as far as I am concerned, it is yet to be shown that he is a large-time racketeer.

The CHAIRMAN. How about these S and G Syndicate men; do you know their names?

Mr. FANT. I never heard of the S and G Syndicate until I got down here to this investigation, sir.

The CHAIRMAN. Where is the full list of those who contributed, Mr. Fant? Is that the list you gave us?

Mr. FANT. Yes, sir; that and these other things here. These two pieces of paper are the full list of them.

The CHAIRMAN. These two pieces of paper here are the full list of contributors that came to you?

Mr. FANT. Yes, sir; that and this you see here [indicating].

The CHAIRMAN. Let's see those, Mr. Fant. [Documents are handed to the chairman.]

Mr. FANT. Now here is a memorandum that was in there that you may take a look at.

Mr. HALLEY. Will you read the memorandum that you referred to?

Mr. FANT. Yes, sir. This memorandum says: "Policy Committee: J. Turner Butler, John Mathews, Joe Sears, Lonis Wolfson, Rhydon, Lathan, John Rush, Julian Fant, Frank Wright, Brown Whatley, and Robert Smith." Then down below that—I am in error about the amount. John Mathews \$8,000 instead of \$7,000, William Johnston \$7,000. This "F" here, I am not sure about that, whether it is something Mr. Wolfson had brought in.

Mr. HALLEY. Why would you put down an initial instead of the full name of the contributor?

Mr. FANT. If you will just take a look at this thing, apparently it was written quite in a hurry, trying to keep some sort of a memorandum on it. Billy Baufield is down here for \$50.

The CHAIRMAN. Mr. Fant, these copies, are they made for us?

Mr. FANT. Well, they weren't made for you. They were made to refresh my memory, but you are certainly welcome to them.

Mr. HALLEY. Now the committee would like to keep the documents for a short period and study them and they will be returned to you.

The CHAIRMAN. What time will you be going back tomorrow, Mr. Fant.

Mr. FANT. I don't know, since I don't know what time the Delta plane leaves out of here.

The CHAIRMAN. Are these records in storage?

Mr. FANT. No.

The CHAIRMAN. Well, anyway I will get them back to you in a very few days.

The CHAIRMAN. Is Mr. W. O. Crosby here?

Mr. HALLEY. Will you come around here, Mr. Crosby?

The CHAIRMAN. Mr. Crosby, do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you, God?

Mr. CROSBY. I do.

TESTIMONY OF WILLIAM O. "BING" CROSBY, INVESTIGATOR FOR
THE GOVERNOR OF THE STATE OF FLORIDA, ACCOMPANIED BY
MR. STARREY, ATTORNEY, TALLAHASSEE, FLA.

Mr. STARREY. Mr. Chairman, I am appearing as counsel for Mr. Crosby. I am from Tallahassee.

The CHAIRMAN. What is your full name, Mr. Crosby?

Mr. CROSBY. William O. Crosby.

Mr. HALLEY. And what is your occupation?

Mr. CROSBY. Investigator for the Governor of the State of Florida.

Mr. HALLEY. Did you have occasion to make an investigation in Miami and Miami Beach during the month of January 1949?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. On those occasions did you meet and talk to Sheriff Sullivan?

Mr. CROSBY. Yes, sir, I met Sheriff Sullivan and talked to him several times.

Mr. HALLEY. Would you state the circumstances and the conversation?

Mr. CROSBY. Well, I went in to see the sheriff—

The CHAIRMAN. A little louder, please.

Mr. CROSBY. Well, I went in to see the sheriff and presented my credentials to him and told him that I was down in this part of the State and I had been sent down here by the Governor's office to check on various matters, slot machines, and the illegal gambling and if any that was found I would make reports to them.

The CHAIRMAN. Did you mention slot machines previously?

Mr. CROSBY. Yes, I mentioned slot machines, but I mention them to every sheriff when I go—

Mr. HALLEY. Did you have instructions in writing from the Governor?

Mr. CROSBY. No, sir, I didn't have any instructions in writing from the Governor. All I had was my identification.

Mr. HALLEY. Did you have a letter from the Governor to Sheriff Sullivan?

Mr. CROSBY. No, sir, I didn't have a letter for Sheriff Sullivan from the Governor.

Mr. HALLEY. Were you here when he testified today?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. Did you hear him talking about some written instructions?

Mr. CROSBY. The sheriff possibly referred to a letter he may have received from the Governor.

Mr. HALLEY. He said you handed him a letter?

Mr. CROSBY. I don't recollect handing him a letter. The only letter that I recollect handing him, Mr. Halley, would be my identification here that I present when I go in any sheriff's office or anyone else's that I come in contact with in an investigation.

Mr. HALLEY. And you received that back?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. You were appointed by Governor Warren as a special investigator for the Governor of the State of Florida on January 10, 1949; is that right?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. And what were your instructions from the Governor?

Mr. CROSBY. My instructions from the Governor were that he was absolutely against slot machines, and he wanted me to be on a continual lookout for them. Any that I saw I was to report them into the office or report them to the sheriff and make any other investigation that might come out of his office by assigning me some old homicide cases to work on from the office there. And, of course, at various times I would get different matters of investigation out of his office.

Mr. HALLEY. Did you get your instructions directly from the Governor?

Mr. CROSBY. Well, I would get them sometimes from the Governor and sometimes I would get assignments from the secretary, and sometimes from his assistants.

Mr. HALLEY. When you were appointed, what was the first investigation you made?

Mr. CROSBY. Well the first investigation I made, I believe the Governor told me that he heard that there were slot machines and he wanted me to check into that and see if there were slot machines in Florida, in Clay and Alachua Counties, I believe.

Mr. HALLEY. How long after you were appointed did you go to Miami?

Mr. CROSBY. Well, I wouldn't be positive, but I would say maybe it was around the—around 10 days or 2 weeks.

Mr. HALLEY. You were appointed on the 10th of January?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. Were you in Miami by the 20th?

Mr. CROSBY. I wouldn't be positive. I would say maybe around in that neighborhood.

Mr. HALLEY. About the 20th, in Miami, in any event?

Mr. CROSBY. Around that neighborhood, yes, sir.

Mr. HALLEY. When you went to Sheriff Sullivan did you tell him what the Governor had told you to investigate?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. To the best of your ability to recall, what did you say to Sheriff Sullivan?

Mr. CROSBY. To the best of my ability, I believe that I mentioned something to him. I asked him if he had any slot machines down here.

Mr. HALLEY. You asked him about slot machines?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. What did he say?

Mr. CROSBY. He said there wasn't any that he knew of.

Mr. HALLEY. What did you say then?

Mr. CROSBY. And I told him that I was here to check on the thing, and to check on anything that was illegal, and I was willing to cooperate with him.

Mr. HALLEY. Did you ask him for the assistance of one of his men?

Mr. CROSBY. Well, I don't recall at all. I don't remember asking him right at that time. When I was there for a while—

Mr. HALLEY. When did you ask for the assistance of a man?

Mr. CROSBY. Well, it might have been a couple of days later as I was going to do some checking around. I wanted to keep in touch with his office.

Mr. HALLEY. When you went back to his office, what did you tell him?

Mr. CROSBY. I don't remember just what I told him—the words.

Mr. HALLEY. What was the conversation?

Mr. CROSBY. Well, that I had found some booking and also I believe I told him that I had seen some gambling.

Mr. HALLEY. Did you ask him for a deputy sheriff to help you make arrests?

Mr. CROSBY. I asked him for a deputy to assist me; yes, sir.

Mr. HALLEY. Did you at that time have a map or a chart showing where you found the gambling?

Mr. CROSBY. No, sir; I don't recall having any map or chart.

Mr. HALLEY. And you were introduced to Sheriff Burke, Deputy Sheriff Burke?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. And you and Burke got into a quarrel?

Mr. CROSBY. No.

Mr. HALLEY. You went out to the beach?

Mr. CROSBY. That is right. Well, I don't remember if we went right to the beach or not. We possibly did.

Mr. HALLEY. What happened after you and Burke began to investigate?

Mr. CROSBY. Well, I think there was some other boy that was with us, too. I am not positive on that. I know that Burke was with me some time by himself, and there was another boy that was along; I don't recall his name. I had been in a place up on—I believe it was the Palm Court Hotel—and we went back up there, but that place was then closed. While we were there checking around we were asking about keys to the rooms—the deputies were—as I didn't have any authority myself as far as that was concerned. I don't have any arresting power.

Mr. HALLEY. How did you and Burke get along? Were your methods the same or were you in disagreement?

Mr. CROSBY. Well, naturally I think all officers have their own routine which is just a little bit different.

Mr. HALLEY. Is your routine different from Burke's? He indicated that you had an acute disagreement with him as to whether you should break into these places or not, and he accused you that you had violated the law and violated people's rights. Did that take place?

Mr. CROSBY. Well, in this instance, Mr. Halley, I think the instance Mr. Burke had reference to there, was that the day that he and I believe Deputy George Patton was along; we went to a place over on Washington Avenue, I believe it was. I don't know whether it was Washington Avenue now or not. We went into the hall of this place there and I believe I had received that complaint out of the office, and some fellow came out of a door. We could hear something going on in there. Some fellow came out of a door and as he came out of the door, I believe this boy Patton grabbed him in the hall there and pulled the door to behind him, and we waited around and pretty quick somebody else knocked on the door and the door was opened and we went in and there was a bedroom there and to the left of the bedroom, as you go in, there was a swinging door on the inside of there, and there was another door on the inside of that. These fellows were

trying to get this door closed and Burke kept closing it and there was a battery of phones in there.

Mr. HALLEY. Right after that, according to Burke, a lawyer named Ben Cohen came along. Do you recall that?

Mr. CROSBY. I remember Mr. Cohen's coming there.

Mr. HALLEY. Burke said something about you having a private conversation with Cohen; that you had a conversation with Mr. Cohen, do you recall that?

Mr. CROSBY. No, sir; I don't recall having any private conversation with Mr. Cohen at all.

Mr. HALLEY. Did you ever have any conversation with Mr. Cohen?

Mr. CROSBY. I will tell you the truth, I didn't even know Cohen was up there until we got ready to leave. I saw him out on the corner.

Mr. HALLEY. Did you talk to him there?

Mr. CROSBY. No, I don't remember that. I don't believe I talked to Mr. Cohen at all.

Mr. HALLEY. Well, Mr. Cohen appeared twice when you made arrests with Burke; is that right?

Mr. CROSBY. Mr. Cohen appeared two or three times on the scene.

Mr. HALLEY. Were you surprised at Mr. Cohen's ability to appear on the scene so soon after you did?

Mr. CROSBY. I kind of wondered sometimes, you know, why he was always "Johnny-on-the-spot."

Mr. HALLEY. Do you think somebody might have been tipping off your raids?

Mr. CROSBY. I don't know. I wouldn't want to express my opinion.

Mr. HALLEY. It would look like it was, as they would be there almost as soon as you were?

Mr. CROSBY. Somebody must have been calling him from these places we went to.

Mr. HALLEY. Somebody must have been calling him and getting him over awful fast?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. Did you ever have a conversation with Mr. Cohen about gambling?

Mr. CROSBY. I recall one day at the Palm Court Hotel, I believe I talked to Mr. Cohen there in front of the place. We were trying to get in and look around for some places on the ground floor. As a matter of fact we did finally get in, as they got a key, and there was a battery of phones in there. I don't recall now whether they were hooked up or not, and Mr. Cohen was around there talking at that time.

Mr. HALLEY. And what was your conversation with Cohen?

Mr. CROSBY. I don't remember, not offhand, Mr. Halley.

Mr. HALLEY. Don't you remember anything. What did you talk about?

Mr. CROSBY. Bookmaking.

Mr. HALLEY. Did he ask you if you had a search warrant? You must have talked of something.

Mr. CROSBY. He might have said to one of the deputies did we have a search warrant.

Mr. HALLEY. Well, what did you talk to him about?

Mr. CROSBY. I was talking to him, I presume, about the situation.

Mr. HALLEY. Had you ever seen Mr. Cohen under any other circumstances? Were you ever in his office?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you ever see him socially?

Mr. CROSBY. Not that I remember; I might have.

Mr. HALLEY. Have you ever met him any place besides on the two or three occasions that you have just mentioned?

Mr. CROSBY. I don't remember.

Mr. HALLEY. Is it possible that you may have?

Mr. CROSBY. I may have or I may not have.

Mr. HALLEY. I don't quite understand your answer.

Mr. CROSBY. You asked me if I had ever seen him any place socially or anything like that.

Mr. HALLEY. Did you see him any place besides those three or four occasions you just mentioned?

Mr. CROSBY. I don't recall.

Mr. HALLEY. Is it your answer that you didn't, to the best of your recollection?

Mr. CROSBY. I wouldn't say that I hadn't, but I just don't remember.

Mr. HALLEY. Do you know any members of the S. & G. Syndicate?

Mr. CROSBY. Do I know any members of the S. & G.?

Mr. HALLEY. Yes. Sam Cohen, Harold Salvey, Charles Friedman, Eddie Rosenbaum, Jules Levitt, Harry Russell, then there is Benton, and Leo Levitt, who is Jules Levitt's brother.

Mr. CROSBY. Sam Cohen is the one I am thinking about. I went to the Island Club and I believe I met Sam Cohen then.

Mr. HALLEY. Did you find gambling out at the Island Club?

Mr. CROSBY. No, sir; not at that time.

Mr. HALLEY. You are positive you didn't?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. Did you see a room set up for gambling?

Mr. CROSBY. No, I went in and they got a big iron door. They were to let me in and there was a big room in there but I didn't see any gambling equipment.

Mr. HALLEY. Do you know Jack Friedlander?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you ever hear of him?

Mr. CROSBY. I have heard of him.

Mr. HALLEY. But you never met him?

Mr. CROSBY. No, sir.

Mr. HALLEY. Never talked to him in your life?

Mr. CROSBY. No, sir.

Mr. HALLEY. Have you collected any campaign contributions?

Mr. CROSBY. No, sir.

Mr. HALLEY. In the campaign of 1948?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you participate in that campaign?

Mr. CROSBY. I participated to an extent. I acted for my friend the Governor.

Mr. HALLEY. Did you collect any campaign contributions during 1949?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you make any collection of moneys for any purpose during 1949?

Mr. CROSBY. No, sir.

Mr. HALLEY. Do you know George Bowers?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. Who is he?

Mr. CROSBY. Well, George is a boy I first saw in Jacksonville maybe 3 years ago.

Mr. HALLEY. What does he do?

Mr. CROSBY. I don't know actually what he does. Of course, I have heard.

Mr. HALLEY. What have you heard?

Mr. CROSBY. I saw him here in Miami when I came down.

Mr. HALLEY. What was he doing in Miami?

Mr. CROSBY. I saw him over in the Little Palm Club when I was there.

Mr. HALLEY. What is the Little Palm Club.

Mr. CROSBY. There was gambling going on there at the time and I saw him in there and I reported it to the sheriff and it was closed down.

Mr. HALLEY. What was he doing there?

Mr. CROSBY. Was walking around there.

Mr. HALLEY. Did he work for the State administration?

Mr. CROSBY. Not that I know of.

Mr. HALLEY. Did you do any work for Bowers?

Mr. CROSBY. What do you mean? What kind of work?

Mr. HALLEY. Did you work on any matters with Bowers either public or private? Did you ever have any business with him?

Mr. CROSBY. Only the fact that I would be around and maybe get some information as to maybe where gambling was going or something like that.

Mr. HALLEY. What was he doing in Miami? Was he investigating gambling, too?

Mr. CROSBY. I don't know.

Mr. HALLEY. Is he a gambler?

Mr. CROSBY. He is reputed to be. I don't know. I have never seen him gamble.

Mr. HALLEY. Do you know John Rush?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. How long have you known John Rush?

Mr. CROSBY. I guess I have known Mr. Rush I would say around 8 or 10 years.

Mr. HALLEY. While you were investigating gambling, did you report from time to time to Rush?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you talk to him about your investigation?

Mr. CROSBY. No, sir.

Mr. HALLEY. You say you don't know any of the people in the S. & G. Syndicate that I mentioned to you except this man Sam Cohen?

Mr. STARREY. He didn't say that, Mr. Halley.

Mr. HALLEY. Then let me ask you this: Do you know Sam Cohen?

Mr. CROSBY. Yes.

Mr. HALLEY. Is that the only time you ever met him, at the Island Club?

Mr. CROSBY. I believe so, yes, sir.

Mr. HALLEY. Harold Salvey?

Mr. CROSBY. I don't know him; no, sir.

Mr. HALLEY. Charles Friedman?

Mr. CROSBY. I don't know whether I know him or not. There was some fellow came up there at this Palm Court Hotel when we were over there with the deputy sheriff.

Mr. HALLEY. I think that the deputy identified him as Levitt; but in any event, if you know Friedman at all, you only know him from a casual meeting?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. And no other association?

Mr. CROSBY. No, sir.

Mr. HALLEY. Do you know Jules Levitt?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. How long have you known Jules Levitt?

Mr. CROSBY. I have referred to him. I first knew him when he came to the Palm Court Hotel.

Mr. HALLEY. Have you seen him since then?

Mr. CROSBY. I saw him down on Washington Avenue.

Mr. HALLEY. You mean when you made the arrest?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. Have you seen him since then?

Mr. CROSBY. I don't remember whether I have or not.

Mr. HALLEY. You have no relationship with him?

Mr. CROSBY. Not that I remember.

Mr. HALLEY. Have you had any business relationship with him?

Mr. CROSBY. No, sir.

Mr. HALLEY. Do you know Harry Russell?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. How long have you known Harry Russell?

Mr. CROSBY. I have known him a little over a year, I guess: a little longer than that.

Mr. HALLEY. When did you first meet Russell?

Mr. CROSBY. I saw him over there on the beach when I first came down here and started maneuvering around.

Mr. HALLEY. Where did you see him?

Mr. CROSBY. I don't remember just exactly the place where I saw him.

Mr. HALLEY. Who introduced you to Russell?

Mr. CROSBY. Didn't anybody introduce me to him.

Mr. HALLEY. How did you happen to meet him?

Mr. CROSBY. I was around, checking those spots around, and it looked like I would always see him around a lot of them.

Mr. HALLEY. And just bump into him when he was in these gambling places: is that the point?

Mr. CROSBY. I would see him around them sometimes in going through and around through those hotels and such as that.

Mr. HALLEY. Was he running a gambling place?

Mr. CROSBY. Not to my knowledge.

Mr. HALLEY. Not at that time?

Mr. CROSBY. Not to my knowledge.

Mr. HALLEY. He joined the S. & G. Syndicate shortly thereafter, didn't he?

Mr. CROSBY. Not to my knowledge.

Mr. HALLEY. You know he is a member of the S. & G. Syndicate, don't you?

Mr. CROSBY. I do not; only what I have heard here.

Mr. HALLEY. How often would you say you saw Mr. Russell when you met him in Miami Beach?

Mr. CROSBY. Maybe I have seen him half a dozen times, or more.

Mr. HALLEY. You think you have seen him a half dozen or more times?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. Have you ever seen him except in the gambling room of a hotel?

Mr. CROSBY. I never have seen him in gambling rooms.

Mr. HALLEY. Where had you met him on those half-dozen occasions?

Mr. CROSBY. I have seen him around in these hotels on Miami Beach and at the Miami Beach Kennel Club.

Mr. HALLEY. Is that the club of which Mr. William H. Johnston is president?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. Did you see him there with Mr. Johnston?

Mr. CROSBY. I didn't see him there with Mr. Johnston.

Mr. HALLEY. Do you know Johnston?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. Have you ever seen Russell talking to Mr. Johnston?

Mr. CROSBY. I have seen him pass the time of day.

Mr. HALLEY. What do you mean by "passing the time of day"?

Mr. CROSBY. I mean be over at the Kennel Club there and there would be a chat around, you know.

Mr. HALLEY. You have seen Harry Russell and William Johnston together; is that right?

Mr. CROSBY. I have seen him over at the Kennel Club. I have seen Harry Russell at the Kennel Club and Johnston would be over there.

Mr. HALLEY. Have you seen them together?

Mr. CROSBY. I guess I have—just seen them standing up together.

Mr. HALLEY. Talking together?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. Did you ever join them and talk to both of them?

Mr. CROSBY. Not that I remember.

Mr. HALLEY. You know them both?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. You didn't walk over and talk to them?

Mr. CROSBY. Not that I remember.

Mr. HALLEY. You never have been in a conversation with Johnston and Russell together?

Mr. CROSBY. Not that I remember.

Mr. HALLEY. Have you ever had a private conversation with Russell?

Mr. CROSBY. Yes; I have talked with him—to get some information.

Mr. HALLEY. What kind of information?

Mr. CROSBY. Gambling information.

Mr. HALLEY. What kind of gambling information did he give you?

Mr. CROSBY. He gave me some information on books and things like that. In getting my information I would have to be around those kind of people to get that kind of information.

Mr. HALLEY. Is Johnston also one of the people that you get information from?

Mr. CROSBY. No, sir.

Mr. HALLEY. How many other gamblers on Miami Beach give you information besides Harry Russell?

Mr. STARREY. Mr. Chairman, I would like to interpose an objection for this reason: This witness is one of the special investigators for the Governor's office. I would like to preserve the source of his information because it is possible that he will want to use the same sources of information in the future. I see no possible good that can be accomplished in requiring the witness to divulge the confidential sources of information to an investigation of this kind, which information is hard to get.

The CHAIRMAN. The question was: How many other people give him information? I can't see how that would——

Mr. STARREY. I have no objection to the number. I understood the question to be "Who were they?"

Mr. HALLEY. Let's get the number first.

Mr. CROSBY. I would get information from various people, Mr. Halley.

Mr. HALLEY. In addition to Harry Russell?

Mr. CROSBY. Anybody that I could get any information from.

Mr. HALLEY. You didn't get information from Sam Cohen did you?

Mr. CROSBY. No, sir.

Mr. HALLEY. Or Harold Salvey?

Mr. CROSBY. No.

Mr. HALLEY. Or Friedman?

Mr. CROSBY. No.

Mr. HALLEY. Eddie Rosenbaum?

Mr. CROSBY. No.

Mr. HALLEY. Jules Levitt?

Mr. CROSBY. No, sir.

Mr. HALLEY. Jack Friedlander?

Mr. CROSBY. No; I never did.

Mr. HALLEY. But you did get information from Harry Russell?

Mr. CROSBY. I think I got information at times from him.

Mr. HALLEY. Did you ever carry messages from William Johnston to Harry Russell?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you ever carry messages from Harry Russell to William Johnston?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you ever carry messages from Harry Russell to Rush?

Mr. CROSBY. No, sir.

Mr. HALLEY. John Rush?

Mr. CROSBY. No, sir.

Mr. HALLEY. Or from Johnston to Rush?

Mr. CROSBY. No, sir.

Mr. HALLEY. Or in the other direction, from Rush to Johnston or Russell?

Mr. CROSBY. I beg your pardon?

Mr. HALLEY. Did you ever carry messages from Rush to Johnston or to Russell?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you ever carry any money to Rush?

Mr. CROSBY. I don't know. I have been to the dog track with him and maybe buy a ticket or something like that, or he would ask me how about cashing a ticket for him or something like that. I think I have done that.

Mr. HALLEY. Did you ever hand any sums of money in excess of \$100 to Rush?

Mr. CROSBY. No, sir.

Mr. HALLEY. On no occasion?

Mr. CROSBY. No, sir.

Mr. HALLEY. Have you ever seen Rush and Harry Russell together,

Mr. CROSBY. I don't remember.

Mr. HALLEY. Do you know whether Rush knows Russell?

Mr. CROSBY. I don't know whether he does or not, Mr. Halley.

Mr. HALLEY. Have you ever talked on the telephone to Russell?

Mr. CROSBY. I don't remember whether I have or not.

Mr. HALLEY. Is it possible that you did?

Mr. CROSBY. It is possible that I might have.

Mr. HALLEY. Did Russell ever call you?

Mr. CROSBY. He might have. I don't remember.

Mr. HALLEY. Would you say that you saw Russell at the Palm Court Hotel?

Mr. CROSBY. No, sir, I didn't see him there.

Mr. HALLEY. You say you had been at the Palm Court Hotel?

Mr. CROSBY. Yes; I have been there.

Mr. HALLEY. Did you ever make an arrest at the Palm Court Hotel?

Mr. CROSBY. No, sir. The time that I was there with the deputy to go to the bookie place—when I came back it was closed up.

Mr. HALLEY. It was closed up?

Mr. CROSBY. It was closed by the deputies. I came back with the deputies and it was closed up.

Mr. HALLEY. I have nothing else at this time.

The CHAIRMAN. Mr. Crosby, the idea is: Why would Russell give you information?

Mr. CROSBY. Well, the only thing I know, Senator, would be that I am seeking information from anybody that I can get it from.

The CHAIRMAN. Did you just meet him and start asking for information?

Mr. CROSBY. I would see him around some of these places sometimes when I was going around and checking.

The CHAIRMAN. And you understood that he was in the gambling business himself, or that we was around these places?

Mr. CROSBY. I don't know he is a gambler.

The CHAIRMAN. What did you understand his business was? That is the point.

Mr. CROSBY. I don't know.

The CHAIRMAN. Can you give any good reason why he would give you information?

Mr. CROSBY. No, sir, except he gave it to me. That is all.

The CHAIRMAN. Was he very free in giving it to you?

Mr. CROSBY. Hanging around and going around in places like that, you sometimes get information free.

The CHAIRMAN. Was he one of your chief informants?

Mr. CROSBY. I wouldn't say that he was one of my chief informants. The CHAIRMAN. All right. That is all.

Mr. HALLEY. I have one more question if you don't mind.

Did William Johnston assist you in getting your appointment as special investigator?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you ever discuss your desire to obtain that appointment with William Johnston?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you ever discuss the appointment as special investigator with William Johnston at all?

Mr. CROSBY. Not to my knowledge; not that I remember.

Mr. HALLEY. Did anybody recommend you to Governor Warren for that job?

Mr. CROSBY. Let me tell you this way: I have known the Governor for 20 years and we have been good friends. I knew him when he was in the city council up there. I was for him in every campaign that he ever ran.

Mr. HALLEY. Did anybody recommend you for that job?

Mr. CROSBY. Not to my knowledge; not that I know of. I made the application to the Governor and talked to him about it.

Mr. HALLEY. And you had the support of no other person than your own self?

Mr. CROSBY. I wouldn't think that I needed the support of anyone else, knowing the Governor as well as I do.

Mr. HALLEY. The question is: "Did you have the support of anybody else?" not whether you needed it.

Mr. CROSBY. Not to my knowledge.

Mr. STARREY. May I ask the witness a question for the purpose of the record?

The CHAIRMAN. Yes, we would be glad to have you ask the witness such questions as you wish for the record.

Mr. STARREY. What police experience, Mr. Crosby, did you have prior to the time you became an investigator?

Mr. CROSBY. I was almost 10 years on the Jacksonville police department.

Mr. STARREY. In what capacity?

Mr. CROSBY. First I was a patrolman and then I was the secretary to the chief for a while, and then I was in the detective division for about 7 years.

Mr. STARREY. That is all.

Mr. HALLEY. After the arrests that you made with Burke and the one with George Patton, did you make any other arrests at Miami Beach?

Mr. CROSBY. We made several arrests over there, Mr. Halley.

Mr. HALLEY. You and Burke have both testified as to having made certain arrests. Did you make any others?

Mr. CROSBY. There were arrests with Patton and some other boy. I don't know what his name was.

Mr. HALLEY. How many arrests did you make at Miami Beach?

Mr. CROSBY. I don't remember how many.

Mr. HALLEY. Did you make over 10?

Mr. CROSBY. I wouldn't want to say. I wouldn't remember.

Mr. HALLEY. Did you make as many as 10?

Mr. CROSBY. I wouldn't say positive.

Mr. HALLEY. How long did your investigation take altogether before you stopped making arrests on Miami Beach?

Mr. CROSBY. I worked over there and left here and I was in Miami quite a bit.

Mr. HALLEY. How long a bit?

Mr. CROSBY. I don't remember just exactly how long, but I know it was quite a while.

I had been to the sheriff's office many, many times.

Mr. HALLEY. Were you working in Miami Beach a month?

Mr. CROSBY. I worked over a month, but I wouldn't say that I worked a month at one time.

Mr. HALLEY. You weren't there a month?

Mr. CROSBY. I mean straight through.

Mr. HALLEY. On and off. You came to Miami, you testified, toward the end of January?

Mr. CROSBY. Yes.

Mr. HALLEY. Did you make any arrests at late as March?

Mr. CROSBY. I wouldn't want to say, Mr. Halley, because I am not sure.

Mr. HALLEY. Did you make any record of your investigation? Do you have an official report?

Mr. CROSBY. No; I don't have an official report, because I just went with those—I would get that information and I would either turn it over to the sheriff—a lot of them I turned over to the sheriff, and then I didn't fool with it at all.

Mr. HALLEY. Didn't you keep a memorandum or a report of what you do in your job?

Mr. CROSBY. When they require a report into the office, I give them a report. If they want a written report, I give them a written report, and if they want an oral report I give them an oral report.

Mr. HALLEY. Have you given any written report on the Miami situation?

Mr. CROSBY. I don't remember whether I have or not.

Mr. HALLEY. What do you mean "you don't remember?" You must know whether you wrote a written report or not. Do you keep copies yourself? Of reports you make?

Mr. CROSBY. Of reports I make I keep a copy.

Mr. HALLEY. For instance, did you ever report to anybody in an official report that you were getting information from Harry Russell?

Mr. CROSBY. No, sir.

Mr. HALLEY. You did not?

Mr. CROSBY. No, sir.

Mr. HALLEY. When you make official telephone calls, do you put in an expense voucher for them?

Mr. CROSBY. Do I put in an expense voucher for them?

Mr. HALLEY. Yes.

Mr. CROSBY. No, sir.

Mr. HALLEY. You don't put in an expense voucher for your official telephone calls?

Mr. CROSBY. No, sir.

Mr. HALLEY. What is your salary as a special investigator?

Mr. CROSBY. I usually call them collect a lot of times.

Mr. HALLEY. Do you ever call without calling collect?

Mr. CROSBY. Yes, I have called.

Mr. HALLEY. You called Harry Russell long distance, didn't you?

Mr. CROSBY. I don't remember.

Mr. HALLEY. Never called Harry Russell long distance?

Mr. CROSBY. I don't remember calling him.

Mr. HALLEY. Did Harry Russell ever call you long distance?

Mr. CROSBY. He could have; yes.

Mr. HALLEY. Did he?

Mr. CROSBY. I don't remember. If the record says he did, he did.

Mr. HALLEY. Let's get back to the dates. Have you any memoranda or any notes or anything at all that would refresh your recollection as to whether you had made any arrests on Miami Beach after March 1, 1949?

Mr. CROSBY. I feel like there were arrests made after then.

Mr. HALLEY. Aside from your feeling.

Mr. CROSBY. At least I feel certain I carried information to the sheriff's office after then.

Mr. HALLEY. Did you carry information to the sheriff's office on the basis of which you went out with the sheriff's deputies to make arrests which you made in January?

Mr. CROSBY. Will you state your question again?

Mr. HALLEY. In January you went to the sheriff's office with information and you got in a car with a deputy sheriff and you went out and made arrests; isn't that right?

Mr. CROSBY. That is right.

Mr. HALLEY. Did you do anything like that in February?

Mr. CROSBY. I don't remember, but I feel certain I did.

Mr. HALLEY. You must know whether you did or didn't. It is not a matter of feeling. You are an investigator.

Mr. CROSBY. I went out with the sheriff's men several times.

Mr. HALLEY. When you report to the Governor, do you tell him that you feel you made an investigation? You apparently made no record. You didn't make any arrests after March?

Mr. CROSBY. I don't remember, Mr. Halley.

Mr. HALLEY. In fact, Harry Russell became a member of the S. & G. Syndicate in March 1949; didn't he?

Mr. CROSBY. Not to my knowledge.

Mr. HALLEY. Not to your knowledge?

Mr. CROSBY. I don't know whether he is a member of the S. & G. Syndicate or not.

Mr. HALLEY. Did you ever hear that he became a member of the S. & G. Syndicate in March of 1949?

Mr. CROSBY. All I have heard about it is right in here.

Mr. HALLEY. And you never heard about it before that?

Mr. CROSBY. No.

Mr. HALLEY. You were appointed an investigator when?

Mr. CROSBY. January 1949.

Mr. HALLEY. You showed the committee a letter indicating you were appointed on January 10; is that right?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. How long after that was it that you met Harry Russell?

Mr. CROSBY. The latter part of January or the first part of February.

Mr. HALLEY. During the course of your investigations; is that right?

Mr. CROSBY. Yes, sir; during the course of my investigation.

Mr. HALLEY. And you are quite sure you never saw him before you happened to notice him lying around various places in Miami Beach; is that right?

Mr. CROSBY. No, sir; never have.

Mr. HALLEY. Nobody ever introduced you to him?

Mr. CROSBY. No, sir.

Mr. HALLEY. Is it possible that you knew Mr. Harry Russell earlier than January of 1949?

Mr. CROSBY. No, sir.

Mr. HALLEY. Is it possible that you continued your relationship with him after you stopped investigating at Miami Beach?

Mr. STARREY. Mr. Chairman, the witness has not testified that he has quit investigating at Miami Beach. He is still an investigator for the Governor's office.

Mr. HALLEY. Are you still investigating at Miami Beach?

Mr. CROSBY. When I get an assignment, I will.

Mr. HALLEY. When did you last get an assignment for Miami Beach?

Mr. CROSBY. My last assignment? I was here in March or April; I don't remember just exactly when.

Mr. HALLEY. Did you cause an arrest to be made at Miami Beach after March of 1949?

Mr. CROSBY. I wouldn't say, Mr. Halley.

Mr. HALLEY. You wouldn't say or you couldn't say?

Mr. CROSBY. I wouldn't say whether I did or whether I didn't. I kept carrying information in to the sheriff's office.

Mr. HALLEY. What information did you carry to what sheriff?

Mr. CROSBY. Bookie places.

Mr. HALLEY. To what sheriff?

Mr. CROSBY. Jimmy Sullivan's office.

Mr. HALLEY. Did you give him any memoranda or did you write him a letter?

Mr. CROSBY. Just carried him the information and gave it to him and told him about it orally, and if the sheriff wasn't in, I would tell his deputy.

Mr. HALLEY. You never went out on an arrest again?

Mr. CROSBY. I wouldn't say that I didn't.

Mr. HALLEY. Would you say that you did?

Mr. CROSBY. I wouldn't say that I didn't and I wouldn't say that I did. I wouldn't remember.

The CHAIRMAN. If you went, would you remember or not?

Mr. CROSBY. I went several times, Senator; yes, sir.

The CHAIRMAN. You must remember. In January and in February you were here and you went with Mr. Burke several times. You ought to remember either whether you did or didn't make any arrests after March. We just want to get the facts of this matter, that is all.

Mr. CROSBY. That has been over a year ago, and it is a little hard to remember.

The CHAIRMAN. You were able to remember the ones in January and February.

Mr. CROSBY. That is when I first started to work.

The CHAIRMAN. Harry Russell is one of the men that was supposed to appear here. Mr. Halley just received a letter from an attorney for Mr. Russell, which I will ask him to read.

Mr. HALLEY. You don't know Mr. Russell?

Mr. CROSBY. I know him when I see him; yes.

Mr. HALLEY. Have you ever seen him in Chicago?

Mr. CROSBY. Not that I remember.

Mr. HALLEY. You know he comes from Chicago; don't you?

Mr. CROSBY. I have heard it.

Mr. HALLEY. Do you know that William Johnston comes from Chicago?

The CHAIRMAN. Let me get this: Did you say you didn't remember seeing him in Chicago, or just may have or may not have? Which was it?

Mr. CROSBY. I don't remember whether I have ever seen him in Chicago or not.

The CHAIRMAN. When were you in Chicago?

Mr. CROSBY. When was I in Chicago? I was in Chicago in August of last year.

The CHAIRMAN. What did you go up there for?

Mr. CROSBY. I went to the All-Star football game.

The CHAIRMAN. Did you see Mr. Russell on that occasion?

Mr. CROSBY. I don't remember whether I did or not.

The CHAIRMAN. You know Mr. Russell?

Mr. CROSBY. I know him, sure, but I don't remember. There was a lot of people there.

The CHAIRMAN. Did you talk with Mr. Russell in Chicago in August of last year when you went up there?

Mr. CROSBY. I wouldn't know whether I talked with him or not. I don't think I did; no, sir.

The CHAIRMAN. Don't you remember whether you did or not?

Mr. CROSBY. I don't remember, Senator.

The CHAIRMAN. How many days did you stay in Chicago?

Mr. CROSBY. I stayed about a couple or 3 days.

The CHAIRMAN. Did you go by yourself?

Mr. CROSBY. I went up by myself; yes, sir, and came back by myself.

The CHAIRMAN. And someone you had seen here often you wouldn't remember whether you saw them or not?

Mr. CROSBY. I don't remember whether I saw him in Chicago or not?

Mr. HALLEY. Did you see Johnston in Chicago?

Mr. CROSBY. Yes.

Mr. HALLEY. You went to Sportsman's Park?

Mr. CROSBY. Yes; I believe I went out there one time.

Mr. HALLEY. And you saw Johnston there?

Mr. CROSBY. Yes, sir.

Mr. HALLEY. Did you see Russell there?

Mr. CROSBY. No, sir.

Mr. HALLEY. Do you know whether or not Russell is a racketeer in Chicago?

Mr. CROSBY. Not to my knowledge; no, sir.

Mr. HALLEY. He is engaged in the gambling business there; isn't he?

Mr. CROSBY. No, sir; not that I know of.

Mr. HALLEY. At this point I would like to introduce the letter.

The CHAIRMAN. Just read it.

Mr. HALLEY. This letter is from Luis Kutner, dated July 8, 1950, and reads as follows:

I regret to advise that Harry Russell failed to appear in my office as he agreed, but telephoned and stated he had no other choice than to take his chances.

He stated that the Binaggio case history illustrates his point of view and decision.

Therefore, I am returning herewith the original subpoena and copy.

My best wishes and assurances of esteem.

Sincerely yours,

LUIS KUTNER.

Mr. HALLEY. Have you seen or heard from Russell in the last month?

Mr. CROSBY. No, sir.

Mr. HALLEY. Have you talked to him on the telephone?

Mr. CROSBY. No, sir.

Mr. HALLEY. What did you talk to Johnston about when you saw him in Chicago?

Mr. CROSBY. What did I talk to him about? Johnston?

Mr. HALLEY. Yes.

Mr. CROSBY. Just general conversation. It was a social gathering. A lot of people came to the football game.

Mr. HALLEY. Did you ever talk to Johnston about the S. & G. Syndicate?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you ever talk to Johnston about gambling at Miami Beach?

Mr. CROSBY. No, sir.

Mr. HALLEY. Never?

Mr. CROSBY. No, sir.

Mr. HALLEY. On no occasions?

Mr. CROSBY. No, sir.

Mr. HALLEY. Did you ever talk to him about your investigation?

Mr. CROSBY. No, sir; I didn't discuss my official investigation with anybody except the persons involved.

Mr. HALLEY. And not with Mr. Johnston?

Mr. CROSBY. No, sir.

The CHAIRMAN. Did Mr. Sullivan, the sheriff here, indicate that he didn't want you around here?

Mr. CROSBY. I never heard of the sheriff saying that. I got full cooperation from the sheriff.

The CHAIRMAN. Did you hear that he felt he had his investigating officers and he didn't need you around?

Mr. CROSBY. I never did hear him make that remark.

The CHAIRMAN. Do you feel that he cooperated with you very well?

Mr. CROSBY. Yes, sir; I do.

The CHAIRMAN. All right. That is all, Mr. Crosby.

Mr. CROSBY. Thank you.

Mr. STARREY. Mr. Chairman, may Mr. Crosby now be excused as a witness?

The CHAIRMAN. I think so; yes.

Mr. STARREY. Thank you, Senator.

The CHAIRMAN. The committee will stand in recess until 9:30 in the morning.

I want to thank the marshal and his deputies and all for their attendance and for their help.

(Whereupon, at 10:55 p. m., the hearing was recessed until 9:30 the following day.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

SATURDAY, JULY 15, 1950

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Miami, Fla.

(Hearing resumed at 9:45 a. m., on July 15, 1950.)

The CHAIRMAN. The committee will come to order. The chairman has received a telegram from Mr. W. H. Johnston, Sportsman's Park, 3301 South Fifty-second Avenue, Cicero, Ill., which telegram is as follows:

Information has reached me through the press that you desire my presence before your committee in Miami, Fla. No official notice has reached me. I am perfectly willing to appear before your committee without being subpoenaed. However, a harness-racing meeting opens tonight at Sportsman's Park, of which I am president. Consequently it would be extremely inconvenient for me to appear during the present hearings being held by your committee.

The harness-racing meeting runs through August. I am informed your committee will convene in Chicago on July 21. As I will be in Chicago at that time, I will be glad to appear then, if you so desire. However, I shall appear at any other future time you may designate, and in Washington, if you wish, at my own expense.

My recent trip to Europe had been planned for many months for the purpose of going with my wife and son to Rome, with passports and reservations predating the organization of your committee. Any inference or charge that I have underworld connections is without foundation and utterly false. If such charge has been made to your committee during its current hearings, I assure you it has been motivated by local politics there.

I welcome the opportunity to combat such false accusations by appearing before your committee.

Mr. Johnston will be asked to appear before the committee either in future sessions in this State or in public hearings somewhere else as soon as possible.

Mr. Rush, come forward.

(Mr. Rush appears before committee.)

TESTIMONY OF JOHN RUSH, ATTORNEY, JACKSONVILLE, FLA.

The CHAIRMAN. Mr. Rush, do you solemnly swear that the testimony that you are about to give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Mr. RUSH. I do.

Mr. HALLEY. Mr. Rush, have you produced certain papers and documents pursuant to the subpoena of the committee?

Mr. RUSH. I have.

Mr. HALLEY. Will you now produce them for the committee?

Mr. RUSH. Yes. [Produces papers.] Would you like to take them up in the order in which they come?

Mr. HALLEY. Yes; just very briefly describe them.

Mr. RUSH. Do you have a copy of the subpoena that gives the order in which they come?

Mr. HALLEY. Just take them in any order at all.

Mr. RUSH. As to the records of the S and G Investment Co., the only records that I have on the S and G Investment Co. is a check that Mr. Ben Cohen gave me in relation to a legislative matter that I was associated in by him, Mr. Ben Cohen being an attorney of Miami Beach.

Mr. HALLEY. What was the legislative matter?

Mr. RUSH. A matter pertaining to the legalizing of bookmaking in the State of Florida.

Mr. HALLEY. That was Craig's baby, wasn't it?

Mr. RUSH. I don't know whether it was Craig's baby or not, but Mr. Cohen was interested in it and associated me in the matter; however, I did not talk to Mr. Craig about it.

Mr. HALLEY. You know which Craig I am referring to, don't you?

Mr. RUSH. Yes.

Mr. HALLEY. What is his full name?

Mr. RUSH. I don't know his full name.

Mr. HALLEY. Charles Craig?

Mr. RUSH. I don't know what his full name is.

Mr. HALLEY. Raymond Craig, isn't it?

Mr. RUSH. I just know his name to be Craig. I don't know what his first name is.

Mr. HALLEY. He controls a lot of gambling over in Miami, doesn't he?

Mr. RUSH. I have heard that he did; I do not know.

Mr. HALLEY. Hasn't he been trying to get that legalized bookmaking bill through for many years?

Mr. RUSH. I understand that he had; yes.

Mr. HALLEY. Ben Cohen came to you and asked you to work on it?

Mr. RUSH. Yes.

Mr. HALLEY. In Tallahassee?

Mr. RUSH. No.

Mr. HALLEY. Where?

Mr. RUSH. In my office and in his office. I had nothing to do with the lobbying through the legislature of it at all. I informed Mr. Cohen when I was associated in it that I would not undertake the lobbying of it. He discussed that with me also and I told him I would not undertake the lobbying end of it.

Mr. HALLEY. What was your part in that bill?

Mr. RUSH. It was in the collaborating on the drawing of it.

Mr. HALLEY. You were retained to collaborate in drawing a bill for legalized gambling?

Mr. RUSH. Yes.

Mr. HALLEY. What fee was agreed that you would be paid for that?

Mr. RUSH. I received a \$10,000 retainer fee, with the understanding that if the bill was passed I would get \$10,000 more.

Mr. HALLEY. Just for drafting the bill?

Mr. RUSH. Yes, and collaborating.

Mr. HALLEY. Nothing else?

Mr. RUSH. No.

Mr. HALLEY. How much time did it take to draft the bill?

Mr. RUSH. We worked on that bill off and on I would say—I had a pretty good file on that—I would say we worked on that off and on for 2 or 3 months.

Mr. HALLEY. With whom did you confer about it?

Mr. RUSH. Well, at one time I conferred with Mr. Raymond Craig about it.

Mr. HALLEY. When did you confer with Craig about it?

Mr. RUSH. I conferred with Craig about it either just before or during the session of the legislature. That is where I met Mr. Craig in a meeting that they had on it.

Mr. HALLEY. Will you fix the time?

Mr. RUSH. I said it was during the 1949 session of the legislature. I don't remember the exact time.

Mr. HALLEY. What month was the legislature sitting; over what period?

Mr. RUSH. I think that was along in April.

Mr. HALLEY. Of 1949?

Mr. RUSH. That is right.

Mr. HALLEY. When were you first retained, in April or before that?

Mr. RUSH. That was in March 1949; March 29.

Mr. HALLEY. That you were retained?

Mr. RUSH. That was the date when the check was deposited in my bank account. It was shortly before that that I was retained, I would say; that is when I deposited the check through my firm account.

Mr. HALLEY. You had some conferences prior to that, didn't you, Mr. Rush?

Mr. RUSH. Prior to the 29th?

Mr. HALLEY. Yes.

Mr. RUSH. We had one conference prior to that; yes.

Mr. HALLEY. When did you first confer with Craig about it?

Mr. RUSH. The only time I conferred with Craig about it was after the bill was already in preparation, and Mr. Craig had a bill also. It seems that there were two or three different bills that different people were wanting to go in there, and they had a conference about seeing if they couldn't get together on all of them. That is the first time I ever met him.

Mr. HALLEY. Did anybody else pay you a fee in connection with getting that legalized betting bill passed?

Mr. RUSH. No.

Mr. HALLEY. Did Mr. Craig tell you that he had had a conversation with Ben Cohen about it?

Mr. RUSH. No, sir.

Mr. HALLEY. Did Mr. Cohen tell you of a conversation that he had had with Raymond Craig about it?

Mr. RUSH. No, sir.

Mr. HALLEY. Ben Cohen was ready to pay you \$20,000 if the bill went through?

Mr. RUSH. That is right.

Mr. HALLEY. And had paid 10 of the 20, in advance?

Mr. RUSH. That is correct.

Mr. HALLEY. The bill never did go through?

Mr. RUSH. No, sir.

Mr. HALLEY. Mr. Rush, you are counsel for William H. Johnston?

Mr. RUSH. I am.

Mr. HALLEY. Are you on a retainer basis with him?

Mr. RUSH. No, sir. I say I am counsel for him. I represent two dog tracks that he is president of, and in that way I would say that he has no personal business or anything. When I say I am counsel for him, I mean that I am a good friend of his, and if he had any business I would represent him, but he has no personal business other than the tracks. He never paid me a fee himself.

Mr. HALLEY. You never received a fee from Johnston?

Mr. RUSH. No.

Mr. HALLEY. You have received fees from the tracks?

Mr. RUSH. Yes.

Mr. HALLEY. Over what period?

Mr. RUSH. The Jacksonville track I think I have represented about 6 years. There is one in Tampa that I believe I have represented, to the best of my recollection, about 8 years.

Mr. HALLEY. Did you represent William Johnston personally in any capacity whatsoever?

Mr. RUSH. No, sir; he never had any representation in his personal matters.

Mr. HALLEY. Did you ever talk to him about the campaign of 1948 for Governor?

Mr. RUSH. Yes, sir.

Mr. HALLEY. Did you ever talk to him about the campaign contribution?

Mr. RUSH. Did I?

Mr. HALLEY. Yes.

Mr. RUSH. Yes.

Mr. HALLEY. State what conversations you had with him and, if possible, fix the time and place.

Mr. RUSH. We had quite a few conversations about it. Fixing the time and place would be rather difficult.

Mr. HALLEY. Do the best you can.

Mr. RUSH. Mr. Johnston talked to me about the campaign and told me that he was going to support Mr. Warren, and asked me about it, and we discussed it from time to time. Well, that has been ever since Warren's first campaign that he talked about supporting Mr. Warren from time to time as it came up.

I supported Governor Caldwell when he ran before, and I was very active in his campaign, and at that time I was talking about it then, and I was talking to Johnston about supporting Caldwell, and he told me then that if Warren came back, got out of the service and came back and ran, he was going to support Warren, that he was a personal friend of his and he was going to support Warren; if not, he would support Caldwell. Mr. Warren didn't come back and he supported Caldwell. In the conversations there was nothing definite. That continued through a period of, I would say, 6 years.

Mr. HALLEY. Let's get down to 1948. Did you discuss a campaign contribution for the 1948 campaign?

Mr. RUSH. Yes.

Mr. HALLEY. What were those discussions?

Mr. RUSH. I am trying to remember the first discussion we had on it. I think that the first discussion we had on that was when they first opened the campaign and he made a contribution, the amount of which I don't know, but he made a contribution in there then, and there was something said about it. I imagine the conversation you want is whether or not he discussed the conversation that Mr. Griffin testified about. Is that the conversation you would like to hear?

Mr. HALLEY. I would like to have them all. Let's have that one first.

Mr. RUSH. When you are with somebody quite a bit and you have conversations back and forth, it is hard to pin it down.

Mr. HALLEY. Why don't you just start. I think the others will come along. Start on something; pick out any conversation.

Mr. RUSH. Mr. Halley, you must understand that I want to cooperate all I can.

Mr. HALLEY. I am sure you do.

Mr. RUSH. When you say "just start and relate" conversations that you have had with a person over a period of years, it is rather difficult to do it. If you have any particular conversation in mind that you would like to know about, I would be glad to tell you anything I know about it.

Mr. HALLEY. Yes. Let's start with the first conversation you had.

Mr. RUSH. As I said, the first conversation I had about it was—

Mr. HALLEY. In 1948?

Mr. RUSH. The first conversation in 1948?

Mr. HALLEY. Yes.

Mr. RUSH. Well, there is just nothing concrete about it; he just said—I don't have any dates or anything—he said if Mr. Warren ran for Governor he was going to support him, and when you mean to support a man that naturally means that you are going to contribute to his campaign.

Mr. HALLEY. Didn't he tell you that he and Griffin were going to get together and finance the campaign between them?

Mr. RUSH. No; he didn't tell me that.

Mr. HALLEY. Didn't he tell you that he had a conversation first with Griffin and another conversation with Wolfson?

Mr. RUSH. That was quite a while after the campaign was in progress, and that is the reason I asked you if you wanted that particular conversation.

Mr. HALLEY. How long after the campaign was in progress did you first hear that story?

Mr. RUSH. I can't exactly pin the time on that, but I know from the books of the campaign that it was after Mr. Fant had been appointed treasurer of the campaign. That is about as close as I can come to it. I don't remember the date that Mr. Fant was appointed treasurer, but it was after that date.

Mr. HALLEY. And what was that conversation; what were you told?

Mr. RUSH. He told me that Mr. Griffin had come to him and had said that they didn't want to bog down for finances in this campaign like they had in the 1940 campaign, and asked him whether or not he would go along with Mr. Wolfson and underwrite the campaign, and he asked me what I thought about it. I told him that I didn't think it would be a good idea, that this campaign could get expensive, and he said that he had been assured that the whole campaign wouldn't

cost over \$150,000 and that contributions would be coming in from other people, and that he thought he would go with it and underwrite it.

Mr. HALLEY. Did you tell him it was illegal for him to make a campaign contribution?

Mr. RUSH. It is not illegal for him to make a campaign contribution.

Mr. HALLEY. It is unlawful, isn't it?

Mr. RUSH. No, sir.

Mr. HALLEY. He is president of a dog track, is he not?

Mr. RUSH. Yes.

Mr. HALLEY. Isn't he a licensee under the Florida State corporation law?

Mr. RUSH. Yes.

Mr. HALLEY. Isn't he the principal in the corporation?

Mr. RUSH. Yes; he is one of the stockholders and president.

Mr. HALLEY. Have you read the attorney general's testimony before this committee?

Mr. RUSH. No, sir.

Mr. HALLEY. The attorney general disagrees with you on the law; do you know that?

Mr. RUSH. I am sorry. I am an attorney and he is an attorney, and if he disagrees with me on the law, it is a difference of opinion.

Mr. HALLEY. Do you on occasion disagree with yourself about the law?

Mr. RUSH. No.

Mr. HALLEY. Do you recall having a conversation with an assistant counsel of this committee about Mr. William Johnston's avoidance of the committee's subpoena?

Mr. RUSH. No; not about his avoidance. Mr. Johnston is not avoiding any subpoena here.

Mr. HALLEY. Mr. Downey Rice called you on the telephone, didn't he?

Mr. RUSH. Correct.

Mr. HALLEY. And he said that the committee had been unable to find Mr. Johnston at his home.

Mr. RUSH. Correct.

Mr. HALLEY. And that the people at the various businesses controlled by Mr. Johnston were unwilling to state where he was; is that correct?

Mr. RUSH. I don't recall him saying that the people at the places of business were unwilling to tell him where he could be located. He asked me where Johnston could be located, and I told him where I thought he could be located, and he told me that he had tried those places and had been unable to locate him.

Mr. HALLEY. What places were they?

Mr. RUSH. The Blackstone Hotel in Chicago; the National Jockey Club—

Mr. HALLEY. At Sportsman's Park, is it not?

Mr. RUSH. Yes.

Mr. HALLEY. He told you that he had tried those places?

Mr. RUSH. And he said that Mr. Johnston wasn't there.

Mr. HALLEY. Do you recall at that time saying to him that Johnston would probably not be available until after the opening of the track at Sportsman's Park?

Mr. RUSH. No; I didn't tell him Mr. Johnston would not be available until after that. What I told him was this: That I was sure that he could be reached by then, because he would be at the opening of Sportsman's Park.

Mr. HALLEY. Didn't you also say that it would be very embarrassing for Mr. Johnston to testify before that track opened because of his campaign contribution here?

Mr. RUSH. Mr. Halley, this situation down here, I am sure——

Mr. HALLEY. Please answer the question.

Mr. RUSH. I would like to answer it.

Mr. HALLEY. I think you can answer it.

Mr. RUSH. What was the question?

Mr. HALLEY. Read him the question, Mr. Stenographer.

(Preceding question read by the reporter as above recorded.)

Mr. RUSH. I don't think they are exactly the words. I did discuss with Mr. Rice the situation of the contribution, and I asked Mr. Rice if it would be possible for us to have a stipulation between counsel where I would not be asked about the contribution where it might be in the record, and Mr. Rice told me that he had no authority to enter into any such stipulation.

Mr. HALLEY. You had a reason for asking that?

Mr. RUSH. Yes.

Mr. HALLEY. What was the reason you stated?

Mr. RUSH. Now you are getting down to the meat in the coconut.

Mr. HALLEY. I have been trying to get down to it.

Mr. RUSH. And I have been trying to give it to you, but you wouldn't let me answer.

Mr. HALLEY. Let's do it now.

Mr. RUSH. This whole thing is a political fight.

Mr. HALLEY. What whole thing?

Mr. RUSH. The Miami Crime Commission and all of the people who have been feeding you information.

Mr. HALLEY. Do you think this committee sitting here is having a political fight?

Mr. RUSH. No, sir; I think this committee sitting here—from what I have seen of the chairman of the committee, I think he is most fair to everybody—but I do say, Mr. Halley, that you have to have a source of information, and that your source of information is biased. Let me get on with it; let me answer one question at a time.

Mr. HALLEY. All right.

Mr. RUSH. I say this: That when Governor Warren was nominated that your local newspapers made a statement that they were going to have him impeached before he was even in office. Naturally, these local papers and the Tampa newspapers and the newspapers over the State didn't support him when he ran, and when they have not been able to get anything on him they have been trying to get something on his friends, and that is the reason that this whole crime commission got started down here and got all of this investigation. Now, getting back to your law there, you are a lawyer——

Mr. HALLEY. Let's stay on this for just a moment.

Mr. RUSH. All right.

Mr. HALLEY. You say that the policy of this committee is to have leads and that we are getting leads from people?

Mr. RUSH. Yes.

Mr. HALLEY. As the result of these leads you have heard certain witnesses take an oath and swear to certain facts before this committee?

Mr. RUSH. Yes.

Mr. HALLEY. And you have heard some of that testimony?

Mr. RUSH. Yes.

Mr. HALLEY. And you have read about some of it in the newspapers?

Mr. RUSH. I haven't paid any attention to the newspapers.

Mr. HALLEY. You have heard some?

Mr. RUSH. Yes.

Mr. HALLEY. And some of these facts relate to various things that might be considered unlawful by some people?

Mr. RUSH. That is right.

Mr. HALLEY. You say that we have been getting leads from the people on the other side of the fence politically?

Mr. RUSH. I say this: I say that you have been getting leads from the Miami Crime Commission down here and these local newspapers. There is nothing that is said in here about anybody that the newspapers don't have it, and if it is adverse to a party they have it before you can turn around; if it is good, they don't get it.

Mr. HALLEY. Do you remember reading in the newspapers several months ago, about 2 months ago, about the formation of this committee?

Mr. RUSH. Yes.

Mr. HALLEY. This Senate committee?

Mr. RUSH. Yes.

Mr. HALLEY. And you read subsequently about the committee coming to Florida to make certain investigations?

Mr. RUSH. Yes.

Mr. HALLEY. Perhaps you can tell me why the people on the other side of the fence politically—I don't know who they are, and I don't know who you refer to, but I gather that they are some people that we don't get leads from—why don't they get witnesses and produce them?

Mr. RUSH. It is not leads.

Mr. HALLEY. Why hasn't your client answered the subpoena of the committee?

Mr. RUSH. I think it was read into the record this morning where he said he would voluntarily come before the committee.

Mr. HALLEY. The S. & G. Syndicate is not a corporation, is it; it is a partnership, isn't it?

Mr. RUSH. I don't represent the S. & G. Syndicate.

Mr. HALLEY. Wait a minute; you received a fee from the S. & G. Syndicate, didn't you?

Mr. RUSH. I received that for my association with Mr. Ben Cohen.

Mr. HALLEY. Who paid the fee?

Mr. RUSH. Ben Cohen.

Mr. HALLEY. Whose check was it?

Mr. RUSH. S. & G. Investment Co.

Mr. HALLEY. And that is a partnership, is it not?

Mr. RUSH. I don't know.

Mr. HALLEY. You mean that you never investigate the source of a \$10,000 fee?

Mr. RUSH. No, sir. I had nothing to do with the S. & G. Investment Co.; I don't know who the members are, and it makes no difference to me so long as my fee is paid; it is all right with me so long as my fee is paid.

Mr. HALLEY. They are your clients, are they not?

Mr. RUSH. When Mr. Cohen came by and talked to me about it, we didn't discuss the S. & G. Investment Co.

Mr. HALLEY. I didn't ask you that. The S. & G. Syndicate is your client; they paid your fee?

Mr. RUSH. I wouldn't say the S. & G. Investment Co. was my client. Ben Cohen associated me in this matter as an attorney, and we didn't discuss where the money was coming from at all.

Mr. HALLEY. You don't care where the money comes from just so long as it is money?

Mr. RUSH. I didn't say that, Mr. Halley.

Mr. HALLEY. Whose client was the S. & G.; is it Mr. Ben Cohen's client?

Mr. RUSH. I presume so. He sent me a check of the S. & G. Investment Co.

Mr. HALLEY. Counsel, you know that you cannot represent thin air. If you are associated with another lawyer, and if that lawyer has a client, that client is your client, isn't it; particularly when you take money for it?

Mr. RUSH. If Mr. Cohen sent me that check for \$10,000, it would have been the same to me, because my association was with Mr. Cohen. If he had sent me that check, it would have been just the same.

Mr. HALLEY. When a lawyer walks into your law office and asks you to become associated in a case, doesn't he say who the client is, or do you say, "Who do we represent, Brother Counsel," or don't you care who the client is?

Mr. RUSH. He came in and associated me in this matter to prepare and collaborate in the drafting of a legislative bill, and the bill was to legalize bookmaking, and he told me what the fee was, and when he paid the fee it was with a check of the S. & G. Investment Co. He could have been the S. & G. Investment Co. himself, for all I know.

Mr. HALLEY. He is in fact, isn't he?

Mr. RUSH. I don't know.

Mr. HALLEY. Part and parcel of it?

Mr. RUSH. I don't know.

Mr. HALLEY. You know very well that nobody pays \$20,000 for drafting a bill that has been drafted many times before and proposed before the State legislature many times—a very simple thing—nobody pays \$20,000 for that, and you know that, don't you?

Mr. RUSH. I don't know that at all, Mr. Halley.

Mr. HALLEY. You would not be surprised to find out that they expected you to do a little more than drafting that bill?

Mr. RUSH. We had an understanding as far as lobbying in the legislature was concerned; I had nothing to do with the lobbying.

Mr. HALLEY. Was there some reason why you didn't want to lobby it in the legislature?

Mr. RUSH. Yes.

Mr. HALLEY. What was the reason?

Mr. RUSH. Because I represented dog tracks in the legislature and I thought there would be a conflict of interest.

Mr. HALLEY. But you were willing to take the fee for drafting the bill?

Mr. RUSH. Yes.

Mr. HALLEY. Wasn't there a conflict of interest anyway?

Mr. RUSH. No.

Mr. HALLEY. If the dog tracks were opposed to the bill, would it be right for you to take a fee for drafting it?

Mr. RUSH. I saw no objection in the taking of it. I think it is a matter of my opinion as to whether or not it was in conflict.

Mr. HALLEY. Did you tell Bill Johnston about it?

Mr. RUSH. I don't believe I ever discussed it with him.

Mr. HALLEY. Let's get back to this other thing. Ben Cohen's client was the S. & G. Syndicate. Somebody was to be the client in the case. Lawyers like to have clients, because clients pay the bill.

Mr. RUSH. As far as that is concerned, I don't know—I didn't know who was going to pay the bill.

Mr. HALLEY. When it was finally paid you found that it was paid by the S. & G. Syndicate?

Mr. RUSH. S. & G. Investment Co.

Mr. HALLEY. You are a lawyer and you were able to go down to the Miami Beach City Hall and look up who was paying your bills.

Mr. RUSH. I didn't go to the city hall to investigate that.

Mr. HALLEY. I am still trying to find out why the political people on the S. & G. side of this thing, if it is politics, are not here in answer to the committee's subpoena, why they have not come in and given the facts on the other side. They have been notified to come in and give the facts, and that invitation has been extended to them through the newspapers and over the radio, and yet you sit there and tell the committee that it is taking things from only one side of the fence. Where are your clients?

Mr. RUSH. I have never said that the S. & G. are my clients.

Mr. HALLEY. Who are the people who paid you the \$10,000?

Mr. RUSH. About the politics. As I said, I mentioned nothing about politics with the S. & G. Syndicate. I said that the politics were on the other side of Governor Warren and William Johnston. They are the ones that we were talking about at the time, and then you injected here this S. & G.

Mr. HALLEY. They have something to do with what the committee is down here to investigate, don't you think?

Mr. RUSH. Who?

Mr. HALLEY. The S. & G. Syndicate.

Mr. RUSH. It looks to me like the committee is investigating the Governor, from what came up last night.

Mr. HALLEY. Is that your conclusion?

Mr. RUSH. Yes.

Mr. HALLEY. Do you know John Patton?

Mr. RUSH. Yes.

Mr. HALLEY. Who is he?

Mr. RUSH. Who is Mr. Patton?

Mr. HALLEY. Yes.

Mr. RUSH. What do you mean by "Who is he"?

Mr. HALLEY. What is his business?

Mr. RUSH. I think Mr. Patton is very much retired; he has some position with the Miami Beach Kennel Club. I don't know exactly what it is.

Mr. HALLEY. That is the kennel club of which William Johnston is president; is that right?

Mr. RUSH. One of them.

Mr. HALLEY. Does he also have a position with the Jacksonville Kennel Club?

Mr. RUSH. I don't know that. Not that I know of. Do you mean Mr. Johnston or Mr. Patton?

Mr. HALLEY. Patton.

Mr. RUSH. No, sir; Mr. Patton's son does.

Mr. HALLEY. What job does Mr. Patton's son have?

Mr. RUSH. Mr. Patton's son, I believe, is the manager of it.

Mr. HALLEY. Does Mr. Patton's son also have a job with the Orange Park Kennel Club?

Mr. RUSH. Yes.

Mr. HALLEY. Is Mr. Patton associated with the Sportsman's Park race track in Chicago?

Mr. RUSH. I couldn't answer that. I have seen him there, but I don't know whether he is associated with it or not.

Mr. HALLEY. You know that Mr. Johnston is president of it?

Mr. RUSH. Yes.

Mr. HALLEY. Did you know Edward H. O'Hare?

Mr. RUSH. No.

Mr. HALLEY. Do you know who he was?

Mr. RUSH. I have heard of him.

Mr. HALLEY. He was formerly president of Sportsman's Park race track, wasn't he?

Mr. RUSH. That I couldn't answer.

Mr. HALLEY. You know he was murdered in a gang murder a few years ago?

Mr. RUSH. I read about it in the papers; yes.

Mr. HALLEY. Did you ever talk about that with either William Johnston or John Patton?

Mr. RUSH. Yes; but not to any great extent. I have talked to Mr. Johnston about—

Mr. HALLEY. The events immediately preceding that murder were the type of events that a man would talk to his lawyer about, were they?

Mr. RUSH. We had no talk about any events immediately preceding it.

Mr. HALLEY. Did Mr. Johnston ever tell you that immediately before the murder of O'Hare that he and Patton were with O'Hare at Sportsman's Park track?

Mr. RUSH. I don't think that he said anything about Patton being there; he said that he just left Sportsman's Park, but he didn't talk to him.

Mr. HALLEY. Patton was there, too, wasn't he?

Mr. RUSH. I don't know. I wasn't there.

Mr. HALLEY. In fact didn't Johnston say that as O'Hare left he was cleaning a gun and put the gun in his pocket?

Mr. RUSH. Well, Mr. Halley, I would like to answer all of your questions, but I don't see where any of that comes within the scope of this investigation.

Mr. HALLEY. I will ask you to answer, in any event.

Mr. RUSH. Johnston never told me that. I read about that in some magazine or newspaper, but Johnston never told me that.

Mr. HALLEY. Do you know Harry Russell?

Mr. RUSH. Yes.

Mr. HALLEY. How long have you known him?

Mr. RUSH. Oh, about a year and a half or two years, I would say.

Mr. HALLEY. Who introduced you to Harry Russell?

Mr. RUSH. I couldn't say; I don't know.

Mr. HALLEY. He is a friend of William Johnston's too, isn't he?

Mr. RUSH. I don't know that he is a friend of William Johnston's; I think he is an acquaintance of William Johnston. I think they are acquainted.

Mr. HALLEY. Did you ever receive a fee from Harry Russell?

Mr. RUSH. No.

Mr. HALLEY. Had he not just become a member of the S. & G. Syndicate when you got your fee from the S. & G. Syndicate?

Mr. RUSH. I couldn't answer that. I don't know.

Mr. HALLEY. Didn't you ever hear of Harry Russell becoming a member of the S. & G. Syndicate?

Mr. RUSH. Yes.

Mr. HALLEY. Who told you that?

Mr. RUSH. I think I read it in a paper down here.

Mr. HALLEY. Did you ever see Russell and Johnston together in Chicago?

Mr. RUSH. In Chicago?

Mr. HALLEY. Yes.

Mr. RUSH. Not in Chicago.

Mr. HALLEY. Did you ever see them together any place else?

Mr. RUSH. I have seen them together in Florida; yes.

Mr. HALLEY. Does Johnston make his headquarters at the Blackstone Hotel in Chicago?

Mr. RUSH. He always stays at the Blackstone Hotel in Chicago and he has stayed there up until this time.

Mr. HALLEY. Would it surprise you to know that Harry Russell was in the Blackstone Hotel just a few days in the last couple weeks?

Mr. RUSH. I don't know that at all.

Mr. HALLEY. And that he makes the Blackstone Hotel his headquarters, too?

Mr. RUSH. The Blackstone Hotel is a pretty prominent and a good-sized hotel, and it would not surprise me if he does. President Truman stays there when he is in Chicago, because I have been there when President Truman was staying there.

Mr. HALLEY. How long have you known Bing Crosby?

Mr. RUSH. Well, I have known Bing, I would say, ever since he has been on the Jacksonville police force; probably 6 or 8 years; and maybe longer.

Mr. HALLEY. Did you know that he made a trip to Miami during January of 1949?

Mr. RUSH. I don't remember any particular time, but I know he was down here.

Mr. HALLEY. Did you know that he has been designated by the Governor as a special investigator?

Mr. RUSH. Yes; I understood that he was.

Mr. HALLEY. Did he ever tell you what happened when he came to Miami for that investigation?

Mr. RUSH. No.

Mr. HALLEY. Did he tell you that he had attempted to make some investigations on the Beach, and that the chief of the sheriff's office had complained to the Governor that he had no right to send any investigator to Miami and had asked that he be taken off the job in Miami?

Mr. RUSH. No, sir.

Mr. HALLEY. Did you know that C. V. Griffin was appointed to investigate crime by the Governor?

Mr. RUSH. The first time I ever heard of it was when it was in the paper.

Mr. HALLEY. You never discussed that with Johnston?

Mr. RUSH. No.

Mr. HALLEY. Did you hear the testimony yesterday to the effect that the day after the appointment of Griffin was announced that Johnston was seen in Tallahassee and that Griffin thought that Johnston had gotten the Governor to call off the appointment and fire him?

Mr. RUSH. I heard that testimony, yes. I think Mr. Griffin first jumped on Mr. Wolfson about it. That was the first release that he made on it, and then he jumped on Johnston. I think Wolfson was in Tallahassee on the day of the release.

Mr. HALLEY. Who is Bowers; do you know him?

Mr. RUSH. What Bowers is that?

Mr. HALLEY. George Bowers.

Mr. RUSH. I know a George Bowers, yes.

Mr. HALLEY. What is his business?

Mr. RUSH. I don't know what he is doing at the present time. He is reputed to have been operating some gambling places.

Mr. HALLEY. Some gambling places?

Mr. RUSH. Casinos, or whatever you call them.

Mr. HALLEY. Where?

Mr. RUSH. In Miami Beach; I mean Miami and Miami Beach.

Mr. HALLEY. Did you ever represent him?

Mr. RUSH. He has talked to me about representing him on some matters, but I have never received a fee from him.

Mr. HALLEY. Did you ever receive a fee paid by anyone else in a matter with which he was connected?

Mr. RUSH. No, sir.

Mr. HALLEY. Did you ever receive any moneys from him that weren't a fee?

Mr. RUSH. No, sir.

Mr. HALLEY. Did you ever receive any moneys from George Bowers in any connection whatsoever?

Mr. RUSH. No, sir.

Mr. HALLEY. Did you ever receive any moneys from "Bing" Crosby?

Mr. RUSH. No, sir.

Mr. HALLEY. Do you know what Crosby and Bowers were doing in Miami together in January of 1949?

Mr. RUSH. No, sir.

Mr. HALLEY. I don't believe you put all the books in evidence. I think we stopped in the middle of the first book, Mr. Rush.

Mr. RUSH. All right. On that I would like to know if it would be satisfactory to the committee (I have had some photostatic copies made of these pages of my books, and I think you have examined them) to give you these photostatic copies, and let me take my books back to the office.

Mr. HALLEY. I think we would like to keep them for just a few days and we will return them next week.

The CHAIRMAN. Have photostats been made of all of them?

Mr. HALLEY. Of the pages that he deems relevant, and we got the books after 11 o'clock last night.

Mr. RUSH. Mr. Chairman, there are photostatic copies made of everything pertaining to the subpoenas, and these are books of the office, of the partnership, and they are used every day, and I thought I was doing the committee a favor by having the photostats made so that I could take the books back to the office.

The CHAIRMAN. Mr. Rush, what time are you planning to go back to Jacksonville?

Mr. RUSH. I would like to take the first plane that gets out of here. I would like to have gone back last night.

The CHAIRMAN. If you will put them in evidence we will see that you get them back.

Mr. RUSH. That is the reason I left them with you last night.

The CHAIRMAN. We didn't have an opportunity to check them.

Mr. RUSH. I want to get them back as soon as possible because they are in use every day.

The CHAIRMAN. We will see that you get them back before you start back.

Mr. HALLEY. Either that or by Monday or Tuesday. We would like to have time to check them.

Mr. RUSH. There is an index in them, if you want to look at them, to enable you to find anything you want.

The CHAIRMAN. Will you explain what the books are, Mr. Rush?

Mr. RUSH. These books—I'm not a bookkeeper. I can't tell you exactly what they are, but they are the books of my law office, showing the receipts and disbursements and the accounts of various clients, and the ones that you have asked for are the ones that I have had mimeographed or photostated, the whole sheets that you have asked for, on the pages.

The CHAIRMAN. All right. They are all the same type of books?

Mr. RUSH. It seems that one of these books when something comes in they put it on that, and then they transfer it onto another one somehow. I'm no bookkeeper. This one that we were just talking about seems to be—that is not the one that I am talking about. This seems to be a book for 1949 showing moneys that came in the law office of Rush & Pierce during the year 1949, and that was the one that we just testified about. And this book [indicating] seems to be worked in conjunction with that, and it shows where the money comes in and

that is put in this book [indicating], and then it's transferred into Book No. 1, and entry made to the various accounts, and shows where that was transferred over to that client's account. That is the one we were talking about in 1949, that had the S. & G. Investment Co. in it. That is the only thing relevant in 1949, I believe.

Mr. HALLEY. Do you have some documents there, as well, that you want to present to the committee?

Mr. RUSH. I have these 1950 books if you want to go into them at this time, or we can go on with the documents of the S. & G. Investment Co.

Mr. HALLEY. As you please.

Mr. RUSH. As I have just stated, on the S. & G. Investment Co. that fee was in connection with—and I brought this file down—Sam Cohen. This is not the original file in this case of Sam Cohen. The original file in that case was delivered to Mr. Cohen either during the 1949 session of the legislature or just before. Those are margin end papers that for some reason were not in the original file, and my secretary made an additional file and just dropped those in it.

That shows, I think, in there somewhere; I had gotten some information from Illinois and California and around in the preparation of that bill.

Now, in 1950—the statement I made just a few minutes ago—I don't recall just what it was about—about George Bowers giving me any money on or for or on behalf of somebody, and so forth. It may be I was thinking about one thing and not another there, because in this it has come out and I have been more or less accused of getting money illegally or, you might say, under the table, and that is what I was thinking about when the question was asked.

Now, Mr. George Bowers in 1950 did deliver to me a check on one of these things that you have asked for, subpoenaed on. I just want to make it clear that when I said I had received nothing from him that that is what I had in mind. I thought we weren't talking about anything that was illegal.

The CHAIRMAN. What was it on, Mr. Rush?

Mr. RUSH. On this particular one it is the Sunny Isles, Island Club, or whatever it is in that subpoena.

Mr. HALLEY. Sunny Isles Casino, I believe it is called.

Mr. RUSH. Sunny Isles Casino. I received a check for \$1,000, as shown here, from the Sunny Isles Club. It doesn't exactly comply with the subpoena. I assumed that that is what you were talking about, so I brought this in, and I have no intention of trying to evade any information because of any technicality.

The CHAIRMAN. What was that fee for, Mr. Rush?

Mr. RUSH. That was a retainer fee that Mr. Bowers gave me, from the Sunny Isles Club in 1950, this year. I received \$2,000 from him, and \$1,000 was paid on January the 7th, and the other thousand was paid on January the 25th.

Mr. HALLEY. The second thousand?

Mr. RUSH. Yes, sir.

Mr. HALLEY. On Sunny Isles?

Mr. RUSH. Yes, sir.

Mr. HALLEY. On the page you are looking at now have you had that page photostated?

Mr. RUSH. (No response.)

Mr. HALLEY. It might do me some good to look through those books. At least I would have found that page.

Mr. RUSH. I thought I was helping the committee——

Mr. HALLEY. I thought it was just an oversight.

Mr. RUSH. I have no intention of hiding anything in the books.

Mr. HALLEY. The Sunny Isles is a gambling club, isn't it?

Mr. RUSH. I have never been in it.

Mr. HALLEY. What did you do with your two thousand?

Mr. RUSH. That was a retainer fee from him.

Mr. HALLEY. You mean you have taken a retainer fee from a partnership and you don't know what the business is?

Mr. RUSH. I know what it is supposed to be. I don't know of my own knowledge.

Mr. HALLEY. You say of your own knowledge; has anybody told you that it was a gambling club?

Mr. RUSH. Yes, sir.

Mr. HALLEY. Who told you?

Mr. RUSH. Well, it has been in the papers, and it is generally known that that is what it is.

Mr. HALLEY. Is it your position that there are some things you just don't want to know; is that the point?

Mr. RUSH. No.

Mr. HALLEY. Don't you ask your clients what business they are in when you take a retainer from them?

Mr. RUSH. Yes; I knew what business I was supposed to do for the retainer fee.

Mr. HALLEY. Who signed the check for you?

Mr. RUSH. What?

Mr. HALLEY. Who signed the check for you?

Mr. RUSH. Who signed the check? That check was signed by Mr. Bowers and Mr. Levitt.

Mr. HALLEY. By Bowers?

Mr. RUSH. And Mr. Levitt.

Mr. HALLEY. That is the same Bowers I asked you about before, isn't it?

Mr. RUSH. I couldn't say. The only recollection I have as to who signed the check on that is the notation in this book of Bowers and Levitt.

Mr. HALLEY. I thought I asked you sometime ago if you hadn't been paid any money by Bowers.

Mr. RUSH. Mr. Halley, I just got through explaining to the chairman of the committee here that what my thought was when you asked that question. You were talking about moneys that I had gotten from Crosby, and so forth, with the insinuation that I had gotten moneys illegally, and that is what I was thinking about, and I corrected that statement just a few minutes ago and explained it.

Mr. HALLEY. I didn't say you got moneys illegally from Bowers and Levitt.

Mr. RUSH. You have been insinuating as much.

Mr. HALLEY. Has that been in your mind?

Mr. RUSH. There has been testimony here that insinuated it, and I wanted to get it straight once and for all.

Mr. HALLEY. Has that thought been traveling through your mind during this testimony?

Mr. RUSH. It most assuredly has, after what you brought up here last night and all, and I want to get it straight that every cent I got went through my books, and it was in the form of a check.

Mr. HALLEY. And you thought that I wouldn't be interested in anything that was in your books?

Mr. RUSH. Do you think for a moment that I would say I hadn't gotten money when I brought the books up here showing that I had. These were subpoenaed.

Mr. HALLEY. You know very well that Levitt was a partner in the Sunny Isles Casino and that you took a fee from him.

Mr. RUSH. Yes, I knew he was a partner.

Mr. HALLEY. And which Levitt was that, Jules Levitt or Leo Levitt?

Mr. RUSH. I don't know. I have never met them.

Mr. HALLEY. Do you personally own an interest in any gambling establishment in the State of Florida?

Mr. RUSH. No, sir.

Mr. HALLEY. Did you ever hear of the 21 Club at Jacksonville Beach?

Mr. RUSH. Yes, sir.

Mr. HALLEY. Is that in the State of Florida?

Mr. RUSH. Yes, sir.

Mr. HALLEY. Is it a gambling club?

Mr. RUSH. I couldn't say.

Mr. HALLEY. Do you own any interest in the 21 Club?

Mr. RUSH. No, sir.

Mr. HALLEY. Do you know a man named George B. MacDonnell?

Mr. RUSH. Yes, sir.

Mr. HALLEY. How long have you known Mr. MacDonnell?

Mr. RUSH. I would say since about 19—I don't know the exact date—probably 15 years or more.

Mr. HALLEY. And doesn't Mr. MacDonnell own at least a percentage of the 21 Club at Jacksonville Beach?

Mr. RUSH. I couldn't answer that.

Mr. HALLEY. Did you ever hear Mr. MacDonnell testify under oath that he owned a percentage of the 21 Club at Jacksonville Beach?

Mr. RUSH. Yes, sir.

Mr. HALLEY. Were you present when he so testified?

Mr. RUSH. I was present; yes, sir.

Mr. HALLEY. In fact, you were representing him as his counsel, were you not?

Mr. RUSH. Yes, sir.

Mr. HALLEY. And didn't he testify at that time that he owned a portion of the 21 Club at Jacksonville Beach?

Mr. RUSH. Yes, sir.

Mr. HALLEY. And didn't he testify that you owned a portion of it? By you I mean Mr. Rush, the witness here.

Mr. RUSH. That case and testimony has been some time back. At the present time I don't think Mr. MacDonnell has any interest in there at the present time.

Mr. HALLEY. Are you in it still?

Mr. RUSH. No, sir.

Mr. HALLEY. Were you in it?

Mr. RUSH. Back some years ago; yes, sir.

Mr. HALLEY. How many years ago?

Mr. RUSH. It has been 2 or 3 years ago.

Mr. HALLEY. It couldn't be that long, could it?

Mr. RUSH. Yes, sir.

Mr. HALLEY. Well, he only started operating there on November 1, 1948.

Mr. RUSH. I had no interest in it in November 1, 1948.

Mr. HALLEY. Well, do you know the date of the testimony?

Mr. RUSH. No, sir; I don't recall the date of it.

Mr. HALLEY. Well, the date is November 23, 1948, and let us both quit beating around the bush. It was testimony and proceedings before Judge Claude Ogilvie, in room 310, Duval County Courthouse, in Jacksonville, Fla. The record shows that you were there as the attorney for Mr. George B. MacDonnell.

Mr. RUSH. That's right.

Mr. HALLEY. And that in your presence and after an objection on legal grounds by you——

Mr. RUSH. Mr. Halley——

Mr. HALLEY. May I please finish? He testified that John A. Rush was a partner in the ownership of that club which he had operated for some time. Is that correct?

Mr. RUSH. I think if you will look at it you will see that that was in discussed some records of some year before and not 1948 records, Mr. Halley.

Mr. HALLEY. How long before had he been running the 21 Club?

Mr. RUSH. I think, if I'm not mistaken, those records that they had up there were records for about 1947. I think it was 1947.

Mr. HALLEY. 1947? Just 1 year previous?

Mr. RUSH. That is my recollection.

Mr. HALLEY. I will accept that. Now, he said that you were his partner in that 21 Club; is that right?

Mr. RUSH. He said that I receive money out of it. I don't recall him saying I was a partner. He may have. I don't know.

Mr. HALLEY. If he did, if it shows here, would that be correct?

Mr. RUSH. I would assume so.

Mr. HALLEY (reading):

Question. What was your ownership in that?

Answer. Partner.

Question. With whom?

There was an objection to the question, and some colloquy over the objection. And the answer was given: "John A. Rush." Is that right?

Mr. RUSH. That's right.

Another statement of the witness was:

R. J. MacDonnell receives 15 percent; R. D. Askew receives 10 percent; T. P. O'Neill receives 5 percent of the bolita game or bolita earnings, you might say.

What was the bolita game at that place?

Mr. RUSH. I think, if you will allow me to say, it had nothing to do with interstate gambling. There is a boardwalk at Jacksonville

Beach and that bolita is an arrow that spins around on the boardwalk, and that has nothing to do with interstate gambling.

I know when they came up there and got that information and political enemies gave it all, and it was purely and simply just for embarrassment. It has nothing to do with interstate crime or anything; it's just boardwalk stuff.

It's just like this mermaid here; it's a boardwalk operation. It's a boardwalk operation at Jacksonville Beach.

MR. HALLEY. Is it your point that your client was your political enemy?

MR. RUSH. No, sir. I didn't say my client was.

MR. HALLEY. Listen to your client's testimony, and say whether you think it is true or not. [Reading.]

Question. The 21 Club—

MR. RUSH. Mr. Halley, I told you that I had received the money that was stated in there and had an interest in it. I explained to you that it had nothing whatsoever to do with interstate commerce; that that operation down there is a local operation, a local affair, on the ocean front. It's a beach thing there.

I admit that I had part of that, and I don't see why you should take up all this time here in going into it. Of course, I will sit here all day if you want me to.

MR. HALLEY. Your speech forces me to say that I think it has to do with your credibility, Mr. Rush. Would you state whether these questions and answers represent the testimony in question? [Reading:]

Question. The 21 Club is located at the beach?

Answer. That's right, Jacksonville Beach, Third Avenue and the Boardwalk.

Question. What is it?

Answer. What?

Question. I mean, what does the club do; what kind of business?

Answer. It's strictly a gambling club.

Question. No eating or anything or restaurant?

Answer. No; it has no eating up there.

Question. And you operate that as a partner until November 1?

Answer. We closed it approximately—yes, I would say November 1, or until October 31.

Is that testimony correct?

MR. RUSH. I'm—

THE CHAIRMAN. Did it have a wire service in it?

MR. RUSH. No, sir; no, sir, it had no wire service in it, and, as I said, that up there, Senator, is an arrow. You know what I mean; these arrow games and that kind of stuff; boardwalk stuff; strictly local; no wire service or anything.

It was just purely and simply to embarrass me.

THE CHAIRMAN. Well, Mr. Rush, I don't think that is true. Of course, the purpose of our inquiry is to see what the connection is between people in one State with people in another State in these gambling operations. As to the matter of that affecting interstate commerce, that is a rather broad definition, as you know.

MR. RUSH. It gets broader every year.

THE CHAIRMAN. I suppose you have a good amount of money that is involved in any club of this sort, so when you get right down to it, it is pretty difficult to get away from some interstate commerce connection in almost any kind of operation, as you very well know.

Mr. RUSH. The only kind of an interstate commerce connection would be for somebody to come to the beach and play a game down there.

The CHAIRMAN. Well, there were probably checks cleared on banks outside of there.

Mr. RUSH. I wouldn't know anything about that.

The CHAIRMAN. Of course you wouldn't know, but that is the normal operation.

Mr. HALLEY. In fact, hasn't Mr. MacDonnell taken his operations to another State since then?

Mr. RUSH. No, sir.

Mr. HALLEY. Isn't he at Las Vegas, Nev.?

Mr. RUSH. Not to my knowledge. He wasn't last week.

Mr. HALLEY. Where was he last week?

Mr. RUSH. Jacksonville Beach.

Mr. HALLEY. Did you ever call him on the telephone at Las Vegas?

Mr. RUSH. Yes, sir.

Mr. HALLEY. Didn't he operate out there?

Mr. RUSH. Not to my knowledge. Do you want to know why he was in Las Vegas?

Mr. HALLEY. Go ahead and tell us.

Mr. RUSH. He went out there to get a divorce from his wife. He is at Jacksonville Beach, running the Mermaid, which is the Mermaid, Inc., and it's a corporation down there and has a bar and restaurant and boardwalk games.

Mr. HALLEY. Are you a partner in the Shore Club at Miami?

Mr. RUSH. No, sir. I never heard of the Shore Club at Miami.

Mr. HALLEY. Have you any other books and records?

(No response.)

The CHAIRMAN. Mr. Rush, just as a matter of curiosity, what is the difference in the waiting period in Nevada and in Florida in divorce proceedings? I wonder why anyone goes to Nevada from Florida.

Mr. RUSH. That is something I couldn't tell you, except that he didn't go on my advice, and I didn't know where he was. In this whole thing he was behind on a separate maintenance and alimony arrangement, and he was so far behind that until he could be heard in the courts here he would have to pay up, and so he wasn't able to pay up, so he went out there and stayed his prescribed time so he could be heard by the court. That would be my assumption.

The CHAIRMAN. I think that sounds like a very good excuse, anyway.

Mr. RUSH. Now, Mr. Halley, when I turn these papers over to you, the only other file now is—

The CHAIRMAN. We don't need any file here; it is just a summary of the bill that you drafted. [Document returned to Mr. Rush.]

Mr. RUSH. Now, on the Mermaid, Inc., here is a file on that. It's a corporation that was formed in 1946, and I have one-third of the stock in it, and the papers there comprise leases and all in connection with that corporation, and I own a third of the stock in it, and I have never known of anything illegal in there. There is a tavern running in the building in there, and I suppose somebody wanted to embarrass me because I had stock in the tavern, too.

Mr. HALLEY. Nobody has started embarrassing you because of that, have they?

Mr. RUSH. I don't know why they would want this file. I'm not blaming you, Mr. Halley. I'm not accusing you or the committee. I think the committee is acting in the utmost faith but I say that the people giving you the information are giving you information, seeking to—I don't think they want to embarrass me. I think they want to embarrass the Government.

Mr. HALLEY. Why haven't your friends volunteered to come here and testify?

Mr. RUSH. There is nothing that my friends could say to aid in it.

Mr. HALLEY. Where is Mr. Johnston?

Mr. RUSH. Mr. Johnston? I think you know where he is as well as I do. You heard the testimony here yesterday.

The CHAIRMAN. What is the Mermaid, Inc.?

Mr. RUSH. That is a successor to the Beach Hotel.

The CHAIRMAN. The Beach Hotel?

Mr. RUSH. Yes, sir; and the Beach Hotel was a hotel up above and it was stores below, and it was located on the boardwalk there with these concessions and games, and it's where the 21 Club was located in there, and that burned, and when they rebuilt it they built a one-story building, and in that building is a restaurant that is leased out, and this bar and these boardwalk games up there are leased out.

The CHAIRMAN. That is the place where the 21 Club was formerly located?

Mr. RUSH. Where it was formerly located. It is not located there now, sir.

Mr. HALLEY. Do you have any other records?

Mr. RUSH. No, sir. That is all.

The CHAIRMAN. Thank you very much, Mr. Rush.

TESTIMONY OF PHIL R. SHORT, LIEUTENANT, POLICE DEPARTMENT, MIAMI BEACH, FLA.

The CHAIRMAN. Mr. Short, do you solemnly swear that the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SHORT. I do.

Mr. HALLEY. What is your occupation?

Mr. SHORT. I am a lieutenant of police, Miami Beach, Fla.

Mr. HALLEY. Were you ever chief of police?

Mr. SHORT. Yes, sir; 2 years.

Mr. HALLEY. How long have you been a lieutenant?

Mr. SHORT. About 10 years, except for the 2 years I was chief.

Mr. HALLEY. When were you chief of police?

Mr. SHORT. June, 1947, to July, 1949.

Mr. HALLEY. You have appeared here voluntarily pursuant to a telephone call to your home in North Carolina?

Mr. SHORT. Yes, sir.

Mr. HALLEY. You have a home in North Carolina?

Mr. SHORT. Yes. I have a cabin.

Mr. HALLEY. Have you had an opportunity to review certain testimony given by Melvin Richard?

Mr. SHORT. Off and on, I have read a lot of it; yes.

Mr. HALLEY. I mean, given here before this committee.

Mr. SHORT. No, sir; I wasn't here.

Mr. HALLEY. Has anybody advised you that he gave certain testimony concerning a telephone conversation he had with you?

Mr. SHORT. I understand he had some sort of wire-recording that was used here. I don't know what it was about.

Mr. HALLEY. You made no effort to find out what it was about?

Mr. SHORT. No, sir.

Mr. HALLEY. Mr. Richard testified that he asked you about certain gambling and arrests, or lack of arrests, at Miami Beach. Let me read a portion of his testimony, of this record, and I will ask you whether you can state whether you did say these things to Mr. Richard [reading]:

VOICE. How come an arrest wasn't made on that occasion 3 years ago?

I think he is talking about the Club Collins, and you are supposed to have said:

Well, I don't remember right now. They was playing what they called short cards, which was permissible at that time. I went in there because I understood there was a crap game running in there, and all that they were playing was short cards, and short cards at that time was permissible.

Then Richard says:

What do you mean, "permissible"? Somebody said it was O. K.?

VOICE. Well, they had an O. K. from somebody; yes. I don't know who from, but I was told not to, not to interfere with short card games.

Mr. Richard says:

Were you chief then?

And your answer was:

No, no; that was before—before that time.

Mr. Richard said:

Who would give you orders like that? Where would you get them from?

Your answer:

Chief of police.

Mr. RICHARD. You don't know who he got them from?

Answer:

No, I don't.

Mr. RICHARD. Well, when you were chief who gave you orders about what should and shouldn't be done—what could operate.

Your answer was:

Melvin, I don't want to get involved here and get somebody in trouble now.

Mr. RICHARD. Well, I'm trying to get to the bottom of this, and I have been trying for a long time, and I don't care much who gets in trouble, as long as it's on the level. I don't want to do anything dishonest.

Your answer:

Well, it always—

Mr. RICHARD. I mean, I didn't call you up for the purpose or with the intention of having this conversation with you that led into this. I would like to sit down with you and discuss it with you at length.

Your answer:

Well, anytime you're ready.

Mr. RICHARD. But I would like to know from you, if you can tell me, who was it that gave you orders when you were chief? Somebody gave you orders, about who was to operate and who wasn't to operate and when they were to operate and when they weren't.

You are supposed to have said:

Well, as a rule it was Mr. Renshaw that they charged they interfered with the hotels, and so forth, and were playing short cards and playing for the entertainment of the guests and let the guests play cards in the hotel lobbies, and, and I usually took my orders from him.

Mr. RICHARDS. How about bookmaking?

Answer:

Melvin, I would rather talk to you sometime when we're not on the telephone about that.

And then you are supposed to have made an appointment with him for lunch the next day.

Mr. HALLEY. Do you recall that telephone conversation?

Mr. SHORT. Yes, sir.

Mr. HALLEY. And is that transcript that was just read here accurate?

Mr. SHORT. That is correct.

Mr. HALLEY. Is there anything that you would like to say about it?

Mr. SHORT. Well, I can't elaborate on it.

Mr. HALLEY. Did you see Mr. Richard the next day?

Mr. SHORT. I met him up in the office at his request; yes, sir.

Mr. HALLEY. And did you then talk about being told to lay off going after gambling on that occasion?

Mr. SHORT. I never was given any orders about gambling.

Mr. HALLEY. You were never given any orders about the gambling?

Mr. SHORT. No, sir.

Mr. HALLEY. Let me read this conversation to you. This is a wire recording that he made and he stated that it wasn't too audible, but here he states his recollection of the conversation:

I recall that I asked Phil Short whether it was possible to close down the city of Miami Beach without any difficulty, and he said there would be no difficulty at all, that the chief of police could close the town in a matter of hours. And I asked him if that was so, why he had never closed it down during the time he was chief. He said while he was chief of police he closed it down on two occasions.

I asked him what the occasions were. He said that one was authorized and one was unauthorized.

I asked him if he would tell me what these occasions were. He said he closed the town immediately after he got into office, and he was immediately advised by higher-ups to lay off.

He indicated that it was the city manager who called him and told him that he didn't want the chief of police engaged in those activities. He said that he subsequently closed the town again on orders from the city manager.

I asked him how it was possible for him to close the town on that occasion, exactly what did he do.

He said he called Detective Pat Perdue, "The One-Man Bookie Detail," of the vice squad, and he told Pat Perdue to go out and close it down, and he closed it down in a matter of hours.

I asked him how it was possible for Pat Perdue to accomplish that, and he said all he had to do was to go out and tell the boys that the heat was on and they closed up.

I asked him how come he thinks that Chief Simpson hasn't been able to accomplish the job, that he has told me time and again that they couldn't catch these fellows, and why is it that Pat Perdue finds it so difficult catching people in the hotels, in bookie establishments, when he was able to close the town, and he said he was an honest cop when he was chief of police, and he knew that he thinks that City Manager Renshaw is also an honest city manager, but in order to keep his job he realizes he must do whatever four councilmen tell him to do.

We talked further about the Club Collins raid at some length. He gave me a detailed report on it. I don't know if it would serve any useful purpose to the committee if I gave you the report. I can tell you what happened in that raid.

Mr. SHORT. He gave me a detailed report of the Collins raid. I think that is the way it was.

Mr. HALLEY. I think that is all that is necessary to read now. Do you recall that conversation?

Mr. SHORT. I had a conversation with him in his office and we talked along those lines, yes, sir, but I don't remember the details of it.

Mr. HALLEY. Is there anything you would like to say about it or any comment?

Mr. SHORT. Mr. Halley, I can't tell you much about bookmaking. When I was inaugurated as chief of police I made up my mind I didn't want to get involved with anything pertaining to horse bookmaking. I had nothing to do with it. I called Pat Perdue in and said, "You understand what these fellows are doing, just carry on, I don't want to know anything about the bookmaking or how they run it." I don't know anything about it. The only time I had anything to do with books was at times something flagrant would happen and at times like this I took action.

Mr. HALLEY. I have no further questions.

The CHAIRMAN. Mr. Short, why didn't you want to know about bookmaking, if you were chief of police? Wasn't that your job?

Mr. SHORT. I had been an officer for better than 20 years and I knew what "hot potatoes" were.

The CHAIRMAN. What do you mean in these charges, this conversation that you say:

Well, they was playing what they called short cards, which was permissible at that time. I went in there because I understood there was a crap game running in there, and all that they were playing was short cards, and short cards at that time was permissible?

Well, what do you mean, "permissible"? Some body said it was O. K.?

Well, they had an O. K. from somebody; yes. I don't know from whom, but I was told not to, not to interfere with short card games.

Mr. SHORT. That is correct. That has always been understood over there, that card games were permissible in the hotels. They never have been interfered with.

The CHAIRMAN. How about gambling in general?

Mr. SHORT. There never has been any general gambling to my knowledge in the last 7 or 8 years.

The CHAIRMAN. Well, it says here:

I asked him what these occasions were. He said he closed the town immediately after he got into office, and he was immediately advised by higher-ups to lay off.

Who was that that advised you?

Mr. SHORT. I don't remember at the time.

The CHAIRMAN. Well, did somebody advise you to lay off?

Mr. SHORT. I never was advised to lay off. I was told not to be quite so tight.

The CHAIRMAN. What was that again?

Mr. SHORT. I was told not to be quite so tight.

The CHAIRMAN. Who advised you that way?

Mr. SHORT. Pat Perdue. I let Pat Perdue handle the entire booking detail.

The CHAIRMAN. In other words, when you closed up the town you were advised not to be quite so tight?

Mr. SHORT. Yes, sir.

The CHAIRMAN. In other words you were told to be more lenient?

Mr. SHORT. Yes, sir.

The CHAIRMAN. The bookies were not running openly? That is it, isn't it, and that meant that you just lay off them?

Mr. SHORT. Yes; it was on the sneak basis.

The CHAIRMAN. How about these open places?

Mr. SHORT. None ran to my knowledge.

The CHAIRMAN. You never saw any?

Mr. SHORT. I never was in a bookie joint only to make arrests.

The CHAIRMAN. Only to make arrests?

Mr. SHORT. That is all.

The CHAIRMAN. All right, Mr. Short.

Mr. Gips, did you have something that you wanted to tell us?

Mr. GIPS. Yes, sir, I certainly have.

The CHAIRMAN. Mr. Gips, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. GIPS. I do.

TESTIMONY OF LEON GIPS, MIAMI BEACH, FLA.

Mr. HALLEY. What is your full name?

Mr. GIPS. Leon Gips, G-i-p-s.

Mr. HALLEY. And you live in Miami?

Mr. GIPS. Miami Beach for 26 years.

Mr. HALLEY. And there is something you want to tell this committee?

Mr. GIPS. I want to say something about Chief Short. When Chief Short gave Pat Perdue an order to raid all of these places Chief Short never sent for me. The chief himself, went out and made raids and arrests and even including my place. He arrested me at my place where I was working. Chief Short went in there where they were making books and Pat Perdue refused to go in there. He said he wouldn't fool with it. Now why didn't he raid the Blackmoor which was one of the worst places on Miami Beach? Chief Short had to break in himself.

Mr. HALLEY. Wait just a minute.

Mr. GIPS. Yes, sir.

Mr. HALLEY. What is your business?

Mr. GIPS. I was working in a casino as the director of a casino—the head man. I ran a while out at the Blackmoor but I was locked in my room by the doctor. My wife and the kid and the doctor didn't want to let me get out and testify. I left this morning at 9 o'clock. I told my family that I was going to get a little walk for myself. The

doctor refused to send me here. He says, "You got to stay there." I says, "I am rested."

THE CHAIRMAN. Mr. Gips, you take it easy now, with your testimony.

MR. GIPS. I was arrested 25 years ago when Pat Perdue came into my house. I am sorry I opened the door for him. My wife called me and said for me to please come to the house, as somebody is walking around in the building, and that she was afraid to be in the house. "Come right home," she said. I was out of town, out of the city of Miami Beach. I speeded home as fast as I could to be with my family, and I got in a little automobile accident and I paid for the damage.

MR. HALLEY. Try to stick to the point because time is short.

MR. GIPS. When I walked into the house I saw Pat Perdue there.

THE CHAIRMAN. Who is Pat Perdue?

MR. GIPS. I had about \$60 in my pocket. He says, "What happened to you? You come here." Well, he never found nothing else in my pockets. He says, "I am going to search the house." I have there a little crap table that stood right in front of his eyes. He didn't find anything after he checked the whole house to make a legal arrest, so he just was about to leave when he opened the door and saw a piece of paper laying there from my office, and he says, "Let's go," and he pulled the telephone out of my house, which was not in operation at all, and I went over with Mr. Perdue to the police station. He said, "Don't worry, Frenchy, there will be nothing to it; maybe 3 or 4 years." I asked him why he pulled my telephone out of my house. He said it would be all right. For the last few years now, I have found it necessary to have a phone in my house as I have a heart condition. At 9 o'clock at night my telephone was returned to me. Why didn't that telephone stay there? Why did they return a new telephone to my house? There is not a policeman in the United States that will do what Pat Perdue did.

MR. HALLEY. You say the phone was put back into your house?

MR. GIPS. Yes.

THE CHAIRMAN. When was that?

MR. GIPS. The 13th of June.

THE CHAIRMAN. Of this year?

MR. GIPS. This year, 1950, at 1:30 in the morning.

THE CHAIRMAN. Now Mr. Gips, let me ask you one or two questions. We know you have a very bad physical condition and we don't want to overtax you.

MR. GIPS. I am full of medicine and I can talk, sir.

THE CHAIRMAN. Your doctor refused to let you come here, and you came anyway. Now let me ask you one or two questions.

MR. GIPS. Yes, sir.

THE CHAIRMAN. You are known as Honest Frenchy, the honest bookmaker?

MR. GIPS. No bookmaker. I was only a clerk for the bookmakers.

THE CHAIRMAN. Anyway, how long have you been operating casinos and bookies in Miami Beach?

MR. GIPS. Since 1946.

MR. HALLEY. Who have you worked for since that time?

MR. GIPS. I was working in a restaurant on South Beach. And they said, "Mr. Frenchy, you look like an honest man, do you want to work for us?" I said that I didn't know what it was all about; that I was in a restaurant business.

The CHAIRMAN. Mr. Frenchy, who do you work for as a book-maker's clerk?

Mr. GIPS. For Charles Friedman first. He gave me \$2,500 in a check to go buy a place of bookmaking, and I went over to the owner and bought the place. The owner refused the check. He said that that was against his rules to accept checks. He said I have to have the cash.

The CHAIRMAN. Mr. Charles Friedman gave you a check for \$2,000 for you to——

Mr. GIPS. \$2,500.

The CHAIRMAN. Go somewhere and open up a bookmaking establishment?

Mr. GIPS. Yes, sir.

The CHAIRMAN. Where was it you went to?

Mr. GIPS. No. 100, on Twenty-first Street in the Sea Gull Cabana Club.

The CHAIRMAN. He wouldn't take the check?

Mr. GIPS. He refused to take the check. He told me to bring the cash for it, so I forged the check and cashed it and brought him the cash.

The CHAIRMAN. How long did you work for Mr. Friedman, or other people in the bookmaking business?

Mr. GIPS. Since 1937. Then Mr. Perdue came in in 1947 and threw me out of that place.

The CHAIRMAN. Do you mean from 1927——

Mr. GIPS. 1937.

The CHAIRMAN. Up to 1947?

Mr. GIPS. I am sorry, sir, up to 1943. That is the first day I went in the bookmaking business.

The CHAIRMAN. Do you know the S. & G. Syndicate?

Mr. GIPS. There was no S. & G. Syndicate.

The CHAIRMAN. What was——

Mr. GIPS. Charles Friedman once worked for himself, and Jules Levitt and Harold Salvey once worked for themselves. There was no S. and G. Corp.; no S. & G. Syndicate. They were working for themselves.

The CHAIRMAN. Did you work for Levitt?

Mr. GIPS. Yes.

The CHAIRMAN. Who else did you work for?

Mr. GIPS. Charlie Friedman.

The CHAIRMAN. Is he the only one?

Mr. GIPS. He is the only one. After they got incorporated it looks like I worked for them all. I never can pay my rent after I finish with them. I never have enough money to.

The CHAIRMAN. What do you mean, after they got into the corporation?

Mr. GIPS. When they got to call themselves the S. & G.

The CHAIRMAN. In the beginning they called themselves no particular name like S. & G. In the beginning they were separate?

Mr. GIPS. Yes, sir; everybody was for himself.

The CHAIRMAN. When did they get incorporated or form this S. & G.?

Mr. GIPS. I guess it was around 1942 or 1943. I may guess wrong. Mr. Eddie Rosenbaum came in there and he was the only professional crook in the S. & G. He gave money for false pretenses.

The CHAIRMAN. What do you mean?

Mr. GIPS. Giving "ice money" and Eddie Rosenbaum and George Rosenbaum, they muscled in and became the S. & G.

The CHAIRMAN. Where did Eddie and George Rosenbaum come from?

Mr. GIPS. From Atlantic City, and the other one came from Boston.

The CHAIRMAN. When?

Mr. GIPS. A year before I came; in 1925. They were operating crooked booking and bingo games out on the beach. He was the only one in that bingo racket.

The CHAIRMAN. What did you mean by the "ice money"?

Mr. GIPS. Eddie Rosenbaum cut in the business and said "It is going to cost you \$75 a week for operating." Plus you give him 50 percent for the cut, plus paying for the telephone. "And where am I going to get the \$75?" He said, "Out of your pocket." And I ran back to Charlie Friedman and he helped me. He had helped me before. He says, "We are forgetting you; we will leave you alone."

The CHAIRMAN. Do you mean in addition to the fact that you had to give him 50 percent you had to put up \$75 and give it to them?

Mr. GIPS. Yes. I had to give it to Eddie Rosenbaum.

The CHAIRMAN. What was that for?

Mr. GIPS. That was supposed to be "ice."

The CHAIRMAN. What is "ice money" that you are talking about?

Mr. GIPS. It is supposed to be the "ice," the "fix money," protection money. They charged me \$50 a week extra for the service.

The CHAIRMAN. Now let's see. Was your contract as a bookie clerk very much like that of all the others?

Mr. GIPS. No; I never was working at all.

The CHAIRMAN. Well anyway, your contract was that you got 50 percent of the amount that was made?

Mr. GIPS. Yes, sir; at the end of the month.

The CHAIRMAN. Then you had to pay \$75 a week just for the privilege of operating?

Mr. GIPS. No, sir; I paid \$50 a week for the privilege of operating. That goes on the sheet. That \$75 a week is part of the "ice money."

He says, "That is what you will have to do." Who is the "iceman"? I haven't seen him for 25 years.

The CHAIRMAN. Seventy-five dollars for "ice" and you never saw the "iceman"; is that the idea?

Mr. GIPS. That is it.

The CHAIRMAN. Now who is the \$50 for?

Mr. GIPS. For the operating costs and the telephone.

The CHAIRMAN. That goes for the man you work for?

Mr. GIPS. For the corporation I work for. It is for the service of the telephone and all kinds of expenses.

The CHAIRMAN. Does it go for legal expenses or anything of that sort?

Mr. GIPS. Your Honor, it can't be legal expenses when you work as a bookmaker, I am sorry.

The CHAIRMAN. Well, what I am getting at is, suppose you got in a pinch or something; who would pay your fine?

Mr. GIPS. That is Charles Friedman. He pays the expenses of the place.

The CHAIRMAN. That is part of the expenses? That is, the \$50?

Mr. GIPS. No, sir; that costs \$500 extra; so much for the bondsmen; so much for the lawyer.

The CHAIRMAN. Did you have to pay that?

Mr. GIPS. No, sir. That all goes on the profits. I never had \$50 to pay it. They all take it off the profits. That has nothing to do with the "ice money." It has nothing to do with that \$50 a week we paid anyway.

But it was the way Mr. Pat Perdue wanted to make arrests. He calls up this place and says, "Send me out a man, I want to make an arrest." So they come to Frenchy. He says he wants me to help him for to find who is doing bookmaking down here. So I says, "Yes; I will find them for you." Now every time he made an arrest there was a dismissal. I tell the truth and nothing but the truth. I gave out for 2 years; 2½ years. I was with Pat Perdue in the automobile. He was investigating and he would talk to them as if they were his brothers. And when he took my college kid out of school and sent me to the hospital in 1947 and left the gangsters be dismissed, that was it.

I have all these things to say if you want to listen—if you ask me about it.

The CHAIRMAN. I know, Mr. Gips, you can have a very interesting story, but that would take hours to tell.

Mr. GIPS. Yes, sir. Here is my identification card I got when I got arrested for speeding and overparking after 27 years here in Miami Beach.

The CHAIRMAN. Now Mr. Gips, do you know where Pat Perdue gets his orders?

Mr. GIPS. He never got any orders from nobody. He was taking his orders from the people that he was getting—he didn't get them from the chief of police. When the chief gave him orders he never made—

The CHAIRMAN. Now, Mr. Gips, I want to get into just how you operated as a bookie clerk. Do you have some papers here with you?

Mr. GIPS. My wife never gave it to me this morning. She never knew that I went out of the house. That is why I am not dressed. The doctor said yesterday at 4 o'clock that if I went down here and testified I would drop dead. But I take a lot of medicine with me. My chauffeur is here and he has the medicine, and I drink it up and eat it up.

The CHAIRMAN. Don't exert yourself too much, Mr. Gips. Now let's see about your operations. You had a sheet every day on which you would list the bets you had made?

Mr. GIPS. Yes, sir; and the ordinary little bets that would be divided half and half between us.

The CHAIRMAN. Who were you working for? Would it be divided up between you and the person you were working for?

Mr. GIPS. Yes, sir.

The CHAIRMAN. Now at the end of the month, when you had the money, who did you take it to?

Mr. GIPS. I took the money every day.

The CHAIRMAN. Who did you take it to?

Mr. GIPS. Eddie Rosenbaum. He was running the "society."

The CHAIRMAN. Then, after this thing got into a corporation, who did you take it to then?

Mr. GIPS. The office where they got a sign there of S. & G.

The CHAIRMAN. They had a club there?

Mr. GIPS. Yes, sir. And when I lost I would go there to collect the money to pay the customers.

The CHAIRMAN. And you got \$50 a week there?

Mr. GIPS. I paid that—was supposed to.

The CHAIRMAN. Did you pay it?

Mr. GIPS. I haven't paid it.

The CHAIRMAN. It would be on the sheets to be taken from your amount?

Mr. GIPS. That is right, sir, from the total amount.

The CHAIRMAN. Then this other money, \$75 a week was on the side?

Mr. GIPS. That was under the table.

The CHAIRMAN. That went directly to somebody else from you?

Mr. GIPS. And Mr. Friedman stopped it. He says, "Frenchy is not able to pay \$75 a week; he hasn't got that kind of business to pay; he is just an old-timer of Miami Beach, so he won't have to pay." So Mr. Friedman stopped it.

The CHAIRMAN. Now, there were some big bets that would get above \$200. What amounts would you handle?

Mr. GIPS. They would say, "\$25 is enough for you; the rest they take."

The CHAIRMAN. Any bets above \$25 or some larger amount, if the odds were greater, say, if the odds were 10 to 1 or 20 to 1?

Mr. GIPS. That goes on the sheet.

The CHAIRMAN. What do you mean?

Mr. GIPS. They take it for themselves.

The CHAIRMAN. And this goes to the S. & G. office?

Mr. GIPS. Yes.

The CHAIRMAN. And Charles Friedman was the man before the S. & G. was organized?

Mr. GIPS. Yes, sir.

The CHAIRMAN. Now, on this lay-off, these big bets, did all of that money go to the office; that is, you didn't get any part of the amount that was laid off?

Mr. GIPS. No, sir.

The CHAIRMAN. You didn't share 50-50 on the profits.

Mr. GIPS. No, sir. If I had got 50-50, maybe I would own a home instead of an apartment.

The CHAIRMAN. Was that lay-off (insofar as the amounts were concerned) the amount that was very large as compared with the total betting?

Mr. GIPS. They said, when there was a big bet, "Don't keep this bet; you will go broke." They said I would go broke in 1 day if I did it.

The CHAIRMAN. I just wanted to compare the amount that would be laid off, in which you wouldn't participate in, with the amount you did submit 50-50.

Mr. GIPS. I never got 2 cents.

The CHAIRMAN. Which was the larger amount, the lay-off amount, or the amount you didn't have any part of; or the bets that you got a part of?

Mr. GIPS. The bigger amount is on the sheets that I got at the end of the month. That is the bigger amount.

The CHAIRMAN. The amount, in other words, that you had on your sheets would be bigger than the amount you would lay off with the S. & G.?

Mr. GIPS. That is right.

The CHAIRMAN. What were the sizes of these amounts? What would you do; how much business would you do in a day or in a week or month?

Mr. GIPS. It started off at \$200 a day, \$300, \$600, \$1,000, \$2,000, \$3,000, in the season, and at the end of it I finished with just enough to pay my rent.

The CHAIRMAN. How much business would you do over a period of a month?

Mr. GIPS. In the summer you do \$200, \$300, or \$400 a day; and in the wintertime we do \$2,000 or \$3,000 a day.

The CHAIRMAN. Well, at the end of the month, generally, what would you get; how much?

Mr. GIPS. I have a partner of my 50 percent of which I am not able to work; he gets 25 percent and I get 25 percent, so of the 30 days I was behind for 2 months which I lost, and I can't get nothing for 2 months. I got to work the third month to make up what I lost for the 2 months.

The CHAIRMAN. Well, on an average, how much would you make?

Mr. GIPS. Three or four thousand dollars a year.

The CHAIRMAN. You make three or four thousand dollars a year?

Mr. GIPS. Yes, and the other 50 percent was made by the corporation over there.

The CHAIRMAN. Did you operate any casinos out in Hollywood at one time?

Mr. GIPS. No; just employed.

The CHAIRMAN. Were you financial clerk in some of these places?

Mr. GIPS. I was just the representative. They all know Mr. Frenchy is in an honest place. I drove the people from Dade and Broward Counties there to play. It is not crooked; it is an honest place and they come there—

The CHAIRMAN. What place is that?

Mr. GIPS. Next to the Hollywood Beach Hotel.

The CHAIRMAN. What is the name of it?

Mr. GIPS. Chris' Restaurant.

The CHAIRMAN. Is this in Broward County?

Mr. GIPS. Yes, sir.

The CHAIRMAN. That was an honest place?

Mr. GIPS. Honest place.

The CHAIRMAN. Do you know about the other places?

Mr. GIPS. No.

The CHAIRMAN. You didn't work in but one of them?

Mr. GIPS. I worked a few years ago.

The CHAIRMAN. Well, in an honest place the customers still lose; don't they?

Mr. GIPS. They can't win in any honest place either.

The CHAIRMAN. Who?

Mr. GIPS. The customers. They lose in either one.

Why shouldn't they lose? They are there from the choice of the people. The class of people that I operate with is nothing but society people. They come to play, not to win. When they lose \$50 or \$100 they say, "Thanks, Frenchy, we had a good time."

The CHAIRMAN. What was the other place out there; do you know?

Mr. GIPS. I do. The Greenacres was an honest place. That goes on record. We know who is crooked. I do believe the Colonial Inn was an honest place. I believe the Boheme was honest. I don't work in any other places.

The CHAIRMAN. If you feel exhausted, you may stop testifying.

Mr. GIPS. No, sir, Senator; I feel just like I was just born.

Mr. HALLEY. You mentioned that when you were arrested your telephone was pulled out by Perdue?

Mr. GIPS. Yes, sir. Perdue gave it to a man, to Jack Farwell, and Jack Farwell pulled it out.

Mr. HALLEY. And your telephone was put back, or another telephone was put back in the same night?

Mr. GIPS. I was unconscious for 48 hours. I didn't open my eyes for 48 hours later. My wife told me we got a new telephone, 5-5485, and they called my family on that number.

Mr. HALLEY. Had you complained to anybody about your telephone being pulled out, and said that you needed a new phone?

Mr. GIPS. I was unconscious. I was sick in the hospital and talked to nobody.

Mr. HALLEY. How did the phone get back into your home?

Mr. GIPS. That Perdue must have telephoned a man to come out and put one in. He must have flew back to my house.

The CHAIRMAN. Did he get back this night, or the next morning?

Mr. GIPS. The next morning with a new telephone. The old telephone is confiscated and is at the police station. This is evidence of Mr. Pat Perdue.

Mr. HALLEY. How did the S. & G. get its name?

Mr. GIPS. They call it the S. & G. just like they call me Frenchy. Where the name came from I don't know. They were honorable before they became the S. & G. The S. & G. used to work for me selling odd items. Of course, it is now a big corporation. It is not what it used to be.

The CHAIRMAN. When you say the S. & G. isn't what it used to be, what do you mean?

Mr. GIPS. They never used to say, "Give me, give me" like they do now. Since Eddie Rosenbaum is there, he wants it all. An honest Jew hasn't got a chance.

The CHAIRMAN. Do you know Mr. Harry Russell?

Mr. GIPS. I don't know Mr. Russell.

The CHAIRMAN. You weren't working for him at that time?

Mr. GIPS. I don't know. I never knew who he was. I know he was working for Jules Levitt and Charles Friedman.

The CHAIRMAN. And you felt they treated you very nicely?

Mr. GIPS. Very nice before they were the S. & G.

The CHAIRMAN. When did this policy change about Rosenbaum?

Mr. GIPS. He was going to show him how to make faster money.

He was going to show them how to make 90 percent for the S. & G.

The CHAIRMAN. Well, did the percentage change after he came in?

Mr. GIPS. I got \$75 and \$100 and \$150 and \$200 a week. That changes things quite a bit if you ask me. An honest Jew has got no chance there. The only chance I had was when I worked in the casino there when I would make two and three hundred a week. I was very happy there.

Mr. HALLEY. What did Perdue do; take over the gambling job?

Mr. GIPS. Sure, he was taking over. They put him back where he belongs as a plain patrolman, and he was complaining to me why did they do it. He said he was so honest for them people. He finally fought with them and played politics and got his job back.

Mr. HALLEY. What people was he referring to that he was honest to?

Mr. GIPS. The S. & G., sir.

Mr. HALLEY. You mean he was being honest to the S. & G.?

Mr. GIPS. Not honest to the police department. They are missing all these cases.

Mr. HALLEY. Did he get reinstated?

Mr. GIPS. By the Honorable Vincent Giblin, one of the greatest lawyers we got in Florida, in Dade County.

Mr. HALLEY. Did you ever see Perdue and Levitt together after Perdue was reinstated?

Mr. GIPS. I tell the truth and nothing but the truth, so help me God. The truth is he came right back to the Sunny Isle as he wanted to talk to the S. & G. And one of the S. & G. men come down and says, "Get out of here, you bum. What are you doing here right in front of my eyes?" I was working in the Sunny Isle.

Mr. HALLEY. What happened when Perdue came into the Sunny Isle?

Mr. GIPS. He was kicked out.

Mr. HALLEY. What did Perdue say?

Mr. GIPS. He said, "Hello, Frenchy."

Mr. HALLEY. Then what happened?

Mr. GIPS. The boss come down.

Mr. HALLEY. Who is the boss?

Mr. GIPS. Jules Levitt.

Mr. HALLEY. Then what happened?

Mr. GIPS. He insulted Pat Perdue, and that was the end of it.

Mr. HALLEY. And Perdue left?

Mr. GIPS. I think he went back on duty on the second floor. That happened in the restaurant when he was trying to walk upstairs. He just left. I never saw him since.

Mr. HALLEY. Did your bookie charge ever get cleared out?

Mr. GIPS. He says "I don't know; you will have to wait 2 or 3 or 4 years before you can appeal on it."

Mr. HALLEY. When did you get out of the hospital the time that you were there after the trial?

Mr. GIPS. Your Honor, you are going to catch me in a lie. It was a few days ago.

Mr. HALLEY. A few days ago?

Mr. GIPS. Yes, sir.

Mr. HALLEY. What did he say?

Mr. GIPS. He questioned me. "Why did you operate on the streets round here when we closed?"

"Why did you talk to Melvin Richard?"

Melvin Richard was my friend. When I was in the hospital he tried to help me on my illegal arrest. The reason I talked to Melvin Richard was so he could help me, because I have been around Miami Beach 27 years and you arrested me illegal.

He said, "It don't take no legal evidence when I have a crap table and dice and cards and the storage room in the closet." He pulled out an old sheet and says, "Let's go." And he told Jack, but I was not operating. I was out of the city limits. I was in Surfside.

The CHAIRMAN. You are a roulette operator, Mr. Gips?

Mr. GIPS. A roulette operator by profession, and I had managed all of them casinos.

The CHAIRMAN. Have you worked at those casinos?

Mr. GIPS. A lot of them.

The CHAIRMAN. About how many would you say?

Mr. GIPS. Every one that was here.

The CHAIRMAN. Is that 5 or 6 or 10?

Mr. GIPS. Only a handful of people—Charlie Thomas, Arthur Childs, G. R. K. Carter, Sam Cohen, Ike Miller, Jules Levitt.

The CHAIRMAN. I was asking you the—

Mr. GIPS. That is the places.

The CHAIRMAN. The number of them. Those are the places you worked at?

Mr. GIPS. Every one I mentioned is a different place—the Little Palm Club, the 115 Club, the Island Club, Sunny Isles.

For the last 25 years I have been working in these casinos, which I lost control here, and I had to get away from the hotel managing and the procurement racketeers so I can send one child through school.

The CHAIRMAN. Your son went to the University of Florida?

Mr. GIPS. He was in Gainesville.

The CHAIRMAN. All right, Mr. Gips. Will you sit down back here? Thank you very much.

TESTIMONY OF PAT PERDUE, VICE SQUAD, MIAMI BEACH, FLA.

The CHAIRMAN. Do you solemnly swear that the testimony you will give the committee will be the whole truth and nothing but the truth, so help you God?

Mr. PERDUE. I do; yes, sir.

Before I testify, after the subpoena, I would like to have a chance to answer all the accusations that Mr. Gips has given here and I would like to elaborate on the whole situation from the time that I have known him up until the present time.

The CHAIRMAN. Mr. Perdue, we want to give you a full chance to be heard. I do want to call your attention to the fact that we are trying to get through this afternoon and we have a number of witnesses, so summarize as much as you can.

Mr. PERDUE. First of all, I would like to say that Mr. Gips is a character. I have known him as a character for years. He goes around blowing his mouth off all the time about what he can do and what he has done and where he goes and how much money he has and who his friends are, and so forth.

However, when he stated—what I meant to say and what I would like to have this committee ask—

The CHAIRMAN. You just make any statement you want to make preliminarily. You have heard his testimony, so you make any explanation you want.

Mr. PERDUE. In the matter leading up to his arrest, I feel that he perjured himself all the way around.

I have known the man for approximately 4 years. He has tried to buy me for all these years and he even left some second-hand shirts in my car in about 1948 when he was over at the Seagull Cabana Club. He has never been able to give me a dollar and I have never gotten intimate with him.

However, I have asked him for information on several occasions and he gave me information.

The only time that he ever gave me information about any place was at the Morton Apartments. A man took a customer away from him and he was sore and he gave me the address of this particular address and I raided it, and I did lose that particular case.

Now, Mr. Gips stated that he is known as "Frenchy." He is a publicity-seeking fool and he likes to get his name in the papers regardless of how he does it, and he goes around picking up wallets and papers and gets his name in the papers, and this Frenchy—

Mr. HALLEY. Can you elaborate on what you mean by picking up wallets?

Mr. PERDUE. It just seems that he finds wallets.

Mr. HALLEY. And he happens to find wallets that have a great deal of money in them?

Mr. PERDUE. It comes up every year.

Mr. HALLEY. And he seems to be able to return the money to its rightful owner?

Mr. PERDUE. It seems that way.

Mr. HALLEY. And he gets a small reward?

He is shaking his head, saying he never got a reward.

Mr. GIPS. Never accepted a reward.

Mr. HALLEY. Is there anything wrong in finding and returning a wallet?

Mr. PERDUE. I say that he goes through that channel in order to get his name in the paper.

The CHAIRMAN. You don't mean that he would plant a wallet and find it and turn the money over for publicity?

Mr. PERDUE. I am not saying anything about that. What I am trying to build up to is this arrest, how it happened and the way it happened.

For the past 4 or 5 months I have had orders to enforce the gambling laws and to the best of my knowledge I have done a good job.

Mr. HALLEY. For how many months?

Mr. PERDUE. The last 4 or 5.

Mr. HALLEY. What were your orders before the last 4 or 5 months?

Mr. PERDUE. It gets stronger all the time because of the newspapers here and Melvin Richard investigating every day. That naturally puts the chief on the spot and I am on the spot and if we have to do a job, that is demanded of us. That is what it amounts to.

On this particular arrest, before the arrest, Frenchy Gips went around to all the other bookmakers around Espanola Way and stated to them that he was making book and they were a bunch of bums

because they couldn't make book. He felt that he had a license because he knew Pat Perdue so well and was a good friend of his, and any time they wanted to collect any bets, just come down to the police station and they could collect them.

I heard about it and I couldn't believe it because Frenchy told me he had an icebox over in Miami Springs with earmuffs and an overcoat and I tried to find out where he was, and several of the other book-makers said, "Why don't you do something about Frenchy?" and I said, "He is in Miami Springs, as far as I know," and they said, "The bum's working over here."

I didn't try to do too much about it for a couple of weeks, but I sent an informant up to see Mr. Gips and he even wanted to give him a job, said he was starting his own syndicate. I can produce that witness. He is a lifeguard over at the Fourteenth Street station on Miami Beach.

Now, in the conversation that I had with Gips at 1431 Washington Avenue, where he used to serve cake and stuff in order to get people up there to make dollar bets with him—we went and checked him on several occasions and to my knowledge I think that he has this place. I found out that he was working at 516 Fifteenth Street, and the phone number at that place was 5-5485, and I had another line on him at 5-5011 at 2340 Prairie Avenue, and one at 5-4538. I don't have the address.

I checked all these addresses and then found out that he was working at 5-5484, and Detective Ferrell and I went through there on the afternoon of the arrest, knocked on the door, and told him who we were, and Mr. Gips came to the door and said, "Welcome, my friend, walk right in and help yourself and look around."

So we walked in and—you talked to him about what he was talking about with me—and I told him that I wanted to know what he had on his person, and he said, "I haven't got nothing," and I said, "What have you got around the place?" and he said "Nothing. I don't work around the house," so I looked right around, and I found these 30-line sheets—run-down sheets that had been written on, and there were bets, and I also found a record in a little desk wherein his total earnings for the month of May was \$1.354. That was his profit for the month of May. I took that along as a record, and it is over at the police station.

I didn't bring it with me because it is part of the evidence that is supposed to go in his case.

On the way down, I knew that Frenchy had a bad heart, and I told him, "Frenchy, don't get excited, because it is just an arrest. I don't want to see you get yourself all upset and maybe have a heart attack."

I think that put the heart attack idea in his mind, and when he got to the station he threw a heart attack, and the people have told me since that time that if they ever get arrested they are going to throw a "whingdinger." That is what they are going to throw. I don't know what "whingdinger" means.

THE CHAIRMAN. Mr. Perdue, in fairness to Mr. Gips, I have seen the certificate of his doctor, and he did say that he had a very severe heart attack.

MR. PERDUE. I believe that he does have a bad heart.

The CHAIRMAN. On this occasion that you say he threw one, I think we ought to be fair about it.

Mr. PERDUE. I think we should, too.

The CHAIRMAN. The certificate shows he had a severe heart attack.

Mr. PERDUE. It is very possible.

The CHAIRMAN. All right.

Mr. PERDUE. I feel that he perjured himself beyond any scope. He has told lies that are absolutely unfounded, and I would like to take the time of this body, especially now, or some time in the future, to reverse those accusations.

The CHAIRMAN. Let's take them up briefly one at a time. You have talked about the arrest. How did the telephone get back in his house?

Mr. PERDUE. That, sir, I don't know. I have no idea how the phone got back in his house. However, I do know that the number is 5-5485, and I did call the number about a week ago—5-5485—and his wife answered the phone, and I know I got that same phone down in the police station.

The CHAIRMAN. You got the phone in his house and took it to the police station, and the next morning or immediately thereafter another phone got back in?

Mr. PERDUE. I can tell you my suspicions where it came from.

The CHAIRMAN. What are your suspicions?

Mr. PERDUE. He has this place at 1431 Waslington Avenue where he serves stale cake that he gets from Wolfie's and places like that to serve these people to get their dollar bets and \$2 bets, and he had a telephone there, and I believe that he had that telephone robbed out there and put back in his house. He took it out of 1431 Washington Avenue and put it back in his house.

Mr. GIPS. Your Honor, how could I? I was in the city hospital for 30 days. How could I get a phone?

The CHAIRMAN. We know you were in the hospital, Mr. Gips.

Mr. GIPS. I got the keys, and I said, "Pat Perdue, here is the key to the horse room in front. I got a little restaurant," and he took the keys and he opened the horse room, and I have five telephones there and they are still there. I haven't touched any telephones to put into my house.

The CHAIRMAN. You mean the telephones are still there?

Mr. GIPS. They are still there today, Your Honor.

The CHAIRMAN. That is one of these mysteries that we will probably never solve.

Mr. GIPS. I gave him the keys to the place and I said, "Pat Perdue, if you are here to make an arrest of bookmakers, here is the keys," and he opened the door and he walked in and he found the phones in order.

The CHAIRMAN. All right, sit down.

Mr. PERDUE. I feel that I wasn't given a chance to answer Frenchy's statement, and I would like to have an opportunity to do that without interruption, because I didn't interrupt him at all.

The CHAIRMAN. Go ahead. This is about the telephone. There are other things you have been accused of. You came down to Sunny Isles.

Mr. PERDUE. That was on Christmas night. I went in there and had a drink downstairs. I didn't go up to the gambling room at all.

The CHAIRMAN. And Mr. Levitt came down and saw you and spoke harsh words to you and told you to get out?

Mr. PERDUE. They weren't harsh words. He told me he didn't think I should be around there.

The CHAIRMAN. You were an officer of the law.

Mr. PERDUE. I was, but that is out of the county, and is not a part of it.

There is a restaurant downstairs and I was only in the restaurant and he told me to get out. He didn't want me in there.

The CHAIRMAN. That is substantially what Mr. Gips told us; that you were told to get out.

Mr. PERDUE. That is what it amounted to.

The CHAIRMAN. How come Mr. Levitt could order you to get out of some place?

Mr. PERDUE. He is supposed to be the manager, but the place was out of my jurisdiction.

The CHAIRMAN. It is a restaurant open to the public.

Mr. PERDUE. I had a drink and I was through with the drink.

The CHAIRMAN. You were a police officer.

Mr. PERDUE. I am not a police officer of the county. I am a police officer in Miami Beach.

The CHAIRMAN. You are an officer of Miami Beach, but you can go somewhere as a citizen. He ordered you to get out of a public restaurant?

Mr. PERDUE. I think that he might have thought I wanted to go upstairs and look around.

The CHAIRMAN. What if you did go upstairs and looked around?

Mr. PERDUE. It didn't make any difference because I didn't care. I wanted to look the place over. I would at least like to answer that.

I was there on Christmas night.

The CHAIRMAN. And you obeyed his order to get out?

Mr. PERDUE. He as much as asked me to leave and I left.

The CHAIRMAN. What else do you want to tell the committee? Is there anything else?

Mr. PERDUE. I feel that this whole arrest had to do with Frenchy's coming up here and perjuring himself before this body.

The CHAIRMAN. Tell us wherein or in what other way he perjured himself.

Mr. PERDUE. I don't recall all of the testimony but it did make me sort of mad because——

The CHAIRMAN. You have been given an opportunity to make any explanation or any countercharges or accuse Mr. Gips of any perjury you want to, but be specific about what you think he told us that is untrue.

Mr. PERDUE. I feel about the telephone—he stated that I put it back through the man I got my orders from. I don't know who the man was back there.

The CHAIRMAN. What else?

Mr. PERDUE. Something about I called up places on the telephone and told them that I needed a man, and there were a few other things there.

The CHAIRMAN. This is your chance to be heard about it.

Mr. PERDUE. I would like to take my time and do it right. I don't want to get myself all excited here and take the time of the com-

mittee and not do it right. I feel that I should have the opportunity to—

The CHAIRMAN. Mr. Perdue, we are giving you the opportunity right now.

Mr. PERDUE. I am trying to tell you. About me calling up. I don't recall that I ever called Frenchy or anybody else to tell them that I needed a man. I always went into a gambling place and if I saw gambling, I made an arrest. I don't recall any time that I ever went in a place where there was gambling that I didn't make an arrest.

The CHAIRMAN. Is there anything else?

Mr. PERDUE. That is about the extent of it.

The CHAIRMAN. I was interested in your testimony that in the last 4 or 5 months you have been really going after them; that you have been doing something about it.

Mr. PERDUE. Yes, sir.

The CHAIRMAN. What has been the difference between now and 4 or 5 months ago?

Mr. PERDUE. The difference between 4 and 5 months ago and now is the fact that there has been all this newspaper publicity and all the trouble that seems to be caused. My orders are specific and they have been since I have been back on the job. I would say since January 23. That is the date I went back on this job.

The CHAIRMAN. What were your orders before then?

Mr. PERDUE. I was off the job for 6 months.

The CHAIRMAN. Before you were off the job 6 months, what were your orders?

Mr. PERDUE. Well, they varied.

The CHAIRMAN. What do you mean, "varied"?

Mr. PERDUE. During Short's administration, he didn't seem to worry too much about the gambling situation. However, I was pretty much concerned about it, and I think my arrest records will show that.

The CHAIRMAN. Anyway, there wasn't much done about it until 4 or 5 months ago when you came back?

Mr. PERDUE. That is not true.

The CHAIRMAN. Anyway, it got quite different?

Mr. PERDUE. I got so pacific that I felt that unless I did break my neck and try to catch everything that was going on, I wouldn't be doing the right job. I tried to be a good police officer and do my work the best I knew how.

The CHAIRMAN. Didn't the S. & G. close up operations about 4 or 5 months ago? The season was about over then, wasn't it?

Mr. PERDUE. I found there was a lot more going on then in the winter time than now.

The CHAIRMAN. You didn't get tight on this thing until the season closed up and the S. & G. went out of operation?

Mr. PERDUE. No, I was making arrests all the way through—four, five, and six cases.

The CHAIRMAN. Of the book operators around?

Mr. PERDUE. Yes, sir. The records will show it.

The CHAIRMAN. Did you go to the S. & G. office?

Mr. PERDUE. To the S. & G. office.

The CHAIRMAN. Or the S. & G. Investment Co. Did you make arrests there?

Mr. PERDUE. They probably have syndicates and syndicates and all kinds of syndicates.

The CHAIRMAN. I am talking about a part of the syndicate, or the heart of it. You know where the office is, don't you?

Mr. PERDUE. I have an idea where it is at.

The CHAIRMAN. You know where it is?

Mr. PERDUE. It is on Washington Avenue in the Washington Avenue Building.

The CHAIRMAN. You have been there?

Mr. PERDUE. Yes, but not in the office.

The CHAIRMAN. Have you made any arrests in the office?

Mr. PERDUE. No, sir; I haven't.

The CHAIRMAN. You get the little fellows on the outside?

Mr. PERDUE. I get the big ones and the little ones, and I have testimony to prove that.

The CHAIRMAN. Do you know Salvey, Friedman, Levitt, Cohen, and Russell?

Mr. PERDUE. I know them all except Russell. I don't know the man, never saw him before in my life and wouldn't know him if I saw his picture.

The CHAIRMAN. And Rosenbaum?

Mr. PERDUE. I know them all.

The CHAIRMAN. Did you ever arrest any of them?

Mr. PERDUE. No, sir.

The CHAIRMAN. All right.

Mr. HALLEY. Isn't it a fact that you have arrested and do arrest syndicate operators every year?

Mr. PERDUE. Sir, I have made so many arrests throughout the 2 years and 8 months since I have been on this job that I couldn't tell you offhand who all of them were. However, there is one in particular that I think this committee is interested in, and that is Harry Russell. I do recall that I arrested a brother-in-law of his at the Robert Richter Hotel, but as far as Harry Russell is concerned, I don't know that I have ever seen him before in my life.

Mr. HALLEY. Russell operated in the Robert Richter Hotel for a couple of years, didn't he?

Mr. PERDUE. No, sir; not to my knowledge. That hotel hasn't had a book in there for 3 years.

Mr. HALLEY. His brother-in-law tried to operate there in 1947?

Mr. PERDUE. I believe he tried to operate there.

Mr. HALLEY. And you stopped him?

Mr. PERDUE. I put him in jail for vagrancy.

Mr. HALLEY. That was because Russell was trying to muscle in on a nonsyndicate operation at the Robert Richter.

Mr. PERDUE. I don't know about that.

Mr. HALLEY. What do you think?

Mr. PERDUE. To my knowledge there hasn't been a book at the Robert Richter Hotel since that time.

Mr. HALLEY. No, because he stopped it.

Mr. PERDUE. I think there was a man there named Harry Cohen in 1946. I don't recall that Russell was ever there. I just happen to recall about that man. I don't even know his name.

Mr. HALLEY. You do make arrests of syndicate operators and bookies who operate?

Mr. PERDUE. I arrest all of them. I don't have any favorites.

Mr. HALLEY. That is because from time to time the syndicate has indicated that they will take certain arrests, isn't it, in order to make things look good?

Mr. PERDUE. If they make that statement, I think that I make it look awful good.

Mr. HALLEY. Didn't you from time to time talk to the attorneys for the syndicate about the arrests situation?

Mr. PERDUE. I talked to Ben Cohen. I argue with him in court day in and day out. He has a lot of cases. He handles most all the cases himself.

Mr. HALLEY. Did you ever talk to him out of court?

Mr. PERDUE. Yes, sir; I have.

Mr. HALLEY. Did you ever talk to him about arrests that hadn't yet been made?

Mr. PERDUE. No, sir.

Mr. HALLEY. Have you ever had a conversation with Ben Cohen about arrests that hadn't yet been made?

Mr. PERDUE. I don't understand the question.

Mr. HALLEY. Did you ever talk to Ben Cohen about an arrest that was going to be made at some future time, maybe an hour later or a day later?

Mr. PERDUE. Yes, I did. I told him that I was on a certain thing and on a couple or three occasions——

Mr. HALLEY. You know he is counsel for the syndicate?

Mr. PERDUE. Yes. He is counsel for practically all of the bookmakers over on the beach. He represents all the syndicates.

Mr. HALLEY. Did you hear the witness, who was the former chief of police at Miami Beach, testify that when he became chief of police he didn't want anything to do with bookmaking and that he just called you in and said it is your baby?

Mr. PERDUE. At that time Lieutenant High was on detail and he stayed on for some time.

Mr. HALLEY. Chief Short didn't want anything to do with bookmaking. He didn't want to consider it his responsibility although he was chief; is that right?

Mr. PERDUE. He might have told you that, but I think he felt differently. I think he felt he had a responsibility, the same as I did, and he got in a lot of hot water in talking about fingerprinting bookmakers and things like that.

Mr. HALLEY. Was he telling the truth when—wait a minute. What do you mean about "getting in hot water for talking about fingerprinting the bookmakers"?

Mr. PERDUE. The newspapers had published it.

Mr. HALLEY. Why would that get the chief of police in hot water?

Mr. PERDUE. Because they were nice people.

Mr. HALLEY. The chief of police said they were nice people?

Mr. PERDUE. That is right.

Mr. HALLEY. Or that the people that go there are nice people?

Mr. PERDUE. That is right.

Mr. HALLEY. And he didn't want to get them in bad.

Mr. PERDUE. He didn't want to get them fingerprinted. That was my idea.

Mr. HALLEY. What newspapers caught it?

Mr. PERDUE. The Herald wrote it up. They wrote headlines on it for 2 or 3 days.

Mr. HALLEY. So he gave up the idea? He gave up the idea about fingerprinting them?

Mr. PERDUE. Every chance I ever got I fingerprinted them.

Mr. HALLEY. You mean the newspapers criticized him for wanting to fingerprint the bookies?

Mr. PERDUE. Yes, sir; they did.

Mr. HALLEY. You are quite sure about that?

Mr. PERDUE. I believe that is right.

Mr. HALLEY. Was it about that time that he called you in and had the conversation that he testified to?

Mr. PERDUE. Which one?

Mr. HALLEY. In which he said that you—you remember he testified that he called you in and said, "Going after the bookies is your job, and I don't want to know anything about it, Mr. Perdue." That is his testimony.

Mr. PERDUE. He must have wanted to know something about it because he demanded a report every day and I gave it to him.

Mr. HALLEY. He did so testify. Was he telling the truth or untruth?

Mr. PERDUE. I don't know whether it is the truth or not because I don't know what is in the man's mind. I felt he wasn't too much interested.

Mr. HALLEY. Did he have such a conversation with you? Did he call you in and say, "Mr. Perdue, bookmaking is your baby. I don't want to know anything about it. It is your job"?

Mr. PERDUE. There might have been a conversation like that, yes.

Mr. HALLEY. Was it a conversation?

Mr. PERDUE. I don't know sir. I don't remember.

Mr. HALLEY. Do you want to stand on that testimony?

Mr. PERDUE. I do want to stand on that testimony.

Mr. HALLEY. Were you the one-man gambling squad of Miami Beach?

Mr. PERDUE. I was known as that for approximately 2 years; yes, sir.

Mr. HALLEY. No further questions.

The CHAIRMAN. Mr. Perdue, did you have information about the so-called ice money?

Mr. PERDUE. I have heard about it and I have read about it.

The CHAIRMAN. \$75 a week for ice money in addition to \$50 for operating?

Mr. PERDUE. I made numerous arrests on these 30-line sheets, and it would say at the top so much money for telephone and so much money for this and so much for that, refreshments and so forth. They put that on the top.

The CHAIRMAN. Did you investigate this ice money from—

Mr. PERDUE. I don't know whether this testimony is true or not.

The CHAIRMAN. Did you investigate it?

Mr. PERDUE. No; I didn't.

The CHAIRMAN. You heard about it?

Mr. PERDUE. I read it in the papers.

The CHAIRMAN. You have been hearing about it a long time, haven't you?

Mr. PERDUE. Lately more than other times. There has been a lot about the ice money.

The CHAIRMAN. Have you investigated it yet?

Mr. PERDUE. Well, sir, I just wouldn't know how to go about investigating it. I don't know whether I have the power to do it.

The CHAIRMAN. You are around with all these bookies, so when you arrest them they wouldn't be paying any ice money.

Mr. PERDUE. Up until 3 weeks ago I would ask Frenchy about the ice money and he wouldn't tell me.

Mr. GIPS. It is right on the sheet, Your Honor.

The CHAIRMAN. Did you see it on the sheet?

Mr. PERDUE. Sir, as I said, I see things on the top.

The CHAIRMAN. Do you know where the sheets go to?

Mr. PERDUE. I imagine they go to some headquarters.

The CHAIRMAN. You know where they go to.

Mr. PERDUE. They go to the S. & G. Syndicate.

The CHAIRMAN. So wouldn't they be the ones who would know about the ice money?

Mr. PERDUE. I imagine so.

The CHAIRMAN. Don't you think that would be a good place to inquire?

Mr. PERDUE. I have asked a lot of questions.

The CHAIRMAN. With all these rumors of political money paid by these bookies, doesn't that reflect upon you enforcement officers, so why wouldn't you want to clear that up in your own good name?

Mr. PERDUE. You are trying to put me on the spot because I don't know anything about the ice money. I have heard about it, but I can tell you one thing, that I have never received any of it; that's for sure.

The CHAIRMAN. That is one reason why I say that you should investigate to see what happened to it.

Mr. PERDUE. I had so many things to investigate over there that I just never thought about the ice money. That is all. I don't know whether I have the power to.

The CHAIRMAN. What do you mean, whether you have the power? Aren't you a one-man racket squad?

Mr. PERDUE. I think that should come from some court in the form of an order to grab these records and then go into the ice money. If I had found records in my raids and arrests and taken them in, I might have done that.

The CHAIRMAN. All right. Is there anything else, Mr. Perdue, that you want to state?

Mr. PERDUE. I would like to answer any questions that are put before me. I feel that I would like to give you a clear picture of my position over there and I am willing to answer all questions to the best of my ability.

The CHAIRMAN. Unless you have some other statement, that will be all. Thank you.

Mr. PERDUE. Thank you, sir.

The CHAIRMAN. I think in fairness—something has been said about a wallet being found—I should read into the record "received Febru-

ary 23, 1943, wallet"—is that the wallet involved there that Frenchy got his name on?

Mr. PERDUE. Well, sir, it happened so many times—in fact, it happened here about 2 months ago that Frenchy found a wallet. Every time I seen him he found another wallet—that I couldn't see how he found so many wallets.

The CHAIRMAN. Well, anyway he always turned them in.

Mr. PERDUE. He always takes them to the police station and makes sure there is a newspaper reporter there.

The CHAIRMAN. Well, anyway this one contained one platinum ladies' ring set with marquise—

Mr. PERDUE. One more thing—

The CHAIRMAN. Just a minute. [Continuing.] Diamonds—

(The Chairman proceeded to read the articles of diamonds and jewelry enumerated on the list referred to.)

The CHAIRMAN. Signed "Ed Carpenter, chief of police, Miami Beach City Police Department."

I really think, in fairness we ought to say that is a very commendable act, that this man engaged in bookmaking found jewelry worth I suppose many thousands of dollars and turned it in.

Mr. PERDUE. I don't say it isn't a good act.

The CHAIRMAN. You can have these [handing documents to Mr. Gips].

Mr. PERDUE. Is that all, sir?

The CHAIRMAN. Yes.

Mr. PERDUE. Thank you, sir.

The CHAIRMAN. Mr. Claude Renshaw has been subpoenaed to testify but we have a certificate from his doctor dated July 13, 1950, stating Mr. Renshaw is a patient of his "convalescing from a recurrent virus infection." He has been ill for the past 2½ weeks and had been hospitalized at St. Francis Hospital, Miami Beach, Fla., from July 3 through July 11, 1950.

"I believe that it would be detrimental to Mr. Renshaw's health to be subjected to any public interviews at this time. If it is absolutely necessary that he be interviewed I recommend that the interview take place at his home and that it not be unduly prolonged. Emmett T. Fitzpatrick, M. D."

That will be made a part of the record. Now, I believe Mr. Burbridge is here.

Mr. Burbridge, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. BURBRIDGE. I do.

TESTIMONY OF WILLIAM BURBRIDGE, CITY COUNCILMAN, MIAMI BEACH, FLA.

The CHAIRMAN. All right, Mr. Halley, and let us try to shorten up on our testimony at this point if we possibly can.

Mr. BURBRIDGE. That will suit me.

Mr. HALLEY. What is your occupation?

Mr. BURBRIDGE. I guess I am retired. I am in the real estate business, real estate operator.

Mr. HALLEY. Are you a member of the Miami Beach Council?

Mr. BURBRIDGE. Yes, sir.

Mr. HALLEY. How long have you been a member of the council?

Mr. BURBRIDGE. I have been a member since 1932.

Mr. HALLEY. And you are still a member?

Mr. BURBRIDGE. Yes. I got 3 years to go.

Mr. HALLEY. Are you acquainted with the S. & G. Syndicate partners, with the S. & G. partners?

Mr. BURBRIDGE. Harold Salvey—

Mr. HALLEY. Harold Salvey is one you know?

Mr. BURBRIDGE. Harold Salvey is a personal friend of mine.

Mr. HALLEY. Are any of the others friends of yours?

Mr. BURBRIDGE. No, sir.

Mr. HALLEY. Do you know them?

Mr. BURBRIDGE. Yes.

Mr. HALLEY. You speak to them and you are acquainted with them?

Mr. BURBRIDGE. Jules Levitt I have known for a great many years. Charles Friedman, I don't know him so well. He is not as conspicuous.

Mr. HALLEY. Rosenbaum?

Mr. BURBRIDGE. I know him when I see him. Sam Cohen is a very conspicuous sort of person.

Mr. HALLEY. He is not conspicuous here today; is he?

Mr. BURBRIDGE. No.

Mr. HALLEY. You know Sam Cohen?

Mr. BURBRIDGE. Oh, yes.

Mr. HALLEY. You know Harry Russell?

Mr. BURBRIDGE. I think I have met him. I never had any conversation with him. I have an idea that I met him.

Mr. HALLEY. Salvey is really a good friend of yours; is he not?

Mr. BURBRIDGE. He is a good friend of mine.

Mr. HALLEY. You had certain business transactions with Salvey; have you not?

Mr. BURBRIDGE. Yes.

Mr. HALLEY. Would you just take your time and state all of the business transactions that you have had with Mr. Salvey?

Mr. BURBRIDGE. Well, possibly a year ago, a year and a half ago, I loaned him \$40,000.

Mr. HALLEY. Go ahead.

Mr. BURBRIDGE. The loan was at 10 percent. He paid that loan possibly a couple of months later. It was in such a way that he was to pay 10 percent even if he took it up previous to the due date.

Mr. HALLEY. You gave him \$40,000 for a couple of months and you got \$4,000 back?

Mr. BURBRIDGE. No, sir. It was for a year at 10 percent.

Mr. HALLEY. And he paid it back?

Mr. BURBRIDGE. It was a 10-percent note.

Mr. HALLEY. You got your money back?

Mr. BURBRIDGE. I got the money back, a \$30,000 check in 2 or 3 months, and several months afterward I got \$10,000 in cash.

Mr. HALLEY. \$10,000 in cash?

Mr. BURBRIDGE. Yes.

Mr. HALLEY. You gave him a check for \$40,000?

Mr. BURBRIDGE. I gave a check for \$40,000.

Mr. HALLEY. You also got your 10 percent?

Mr. BURBRIDGE. No. I got \$2,000; 5 percent.

Mr. HALLEY. You got 5 percent?

Mr. BURBRIDGE. Yes.

Mr. HALLEY. Why was the interest rate cut?

Mr. BURBRIDGE. Because he paid it sooner.

Mr. HALLEY. He paid it sooner?

Mr. BURBRIDGE. He paid it off after several months.

Mr. HALLEY. What would Salvey—he is a wealthy man, isn't he?

Mr. BURBRIDGE. I doubt it.

Mr. HALLEY. You know something of the operations of the S. & G. Syndicate?

Mr. BURBRIDGE. I do not.

Mr. HALLEY. Do you know that he is a member of the syndicate?

Mr. BURBRIDGE. Yes, sir.

Mr. HALLEY. You know that they control a great many bookmaking establishments, don't you?

Mr. BURBRIDGE. I know it because I hear it, yes. That is the only way. I have no personal knowledge.

Mr. HALLEY. Have you any reason to know why Salvey would have to come to you for \$40,000?

Mr. BURBRIDGE. I offered it to him.

Mr. HALLEY. What did he need it for?

Mr. BURBRIDGE. I have forgotten. I don't know what he needed it for.

Mr. HALLEY. But out of it you got a profit of \$2,000, is that right?

Mr. BURBRIDGE. I didn't get a profit.

Mr. HALLEY. Well, you got interest—

Mr. BURBRIDGE. I got interest.

Mr. HALLEY (continuing). At the rate of 10 percent.

Mr. BURBRIDGE. No.

Mr. HALLEY. Well, that was the annual rate.

Mr. BURBRIDGE. But I didn't get \$4,000.

Mr. HALLEY. But he didn't have the money for a year. You got the annual rate of 10 percent. You got \$2,000 for 3 months. That, in fact, would be 20 percent.

Mr. BURBRIDGE. You can figure it any way you want. It was 10 percent. When it was paid I should have gotten \$4,000. That is the way the note was drawn. I gave Mr. Salvey a couple of mortgages over there of \$50,000 each at 10 percent, each one of those mortgages, and if he pays it the day after he makes the loan he would have to pay the \$4,000—10 percent is \$5,000. He would have to pay \$5,000.

Mr. HALLEY. In any event, he paid you \$2,000?

Mr. BURBRIDGE. \$2,000; yes.

Mr. HALLEY. He paid you \$2,000 3 months later.

Mr. BURBRIDGE. Several months later.

Mr. HALLEY. What other business transactions did you have with Salvey?

Mr. BURBRIDGE. Several years ago Salvey sent me from California—he was out there visiting his mother—a check for \$2,000—\$1,000, a cashier's check. I have never been able to determine—the Government is handling my income tax—and he has never been able to remember and determine himself what that \$1,000 was for.

You think it is funny? I don't think it is funny. What is funny about it [addressing person in audience]?

The CHAIRMAN. I must admonish the audience not to make any demonstrations one way or the other about the testimony heard.

Did you cash the check?

Mr. BURBRIDGE. It would have been a very simple thing for Mr. Salvey and me to figure out something, the reason that \$1,000 check was sent me what that check was for. I am able to figure things out. I have been doing it all my life and making a living figuring things out, but I don't know why he sent me that \$1,000.

Mr. HALLEY. What other financial transactions did you have with him?

Mr. BURBRIDGE. I gave him a 99-year lease—I sold him a 99-year lease on the corner of Fourteenth Street and Washington Avenue, Miami Beach, for \$6,000 a year. I had an interest—a half interest—in that property.

Mr. HALLEY. When did you sell him that lease?

Mr. BURBRIDGE. He built a building on that property now, a year and a half ago—2 years ago.

Mr. HALLEY. And you receive on that lease \$6,000 a year; is that right?

Mr. BURBRIDGE. Yes; it is a 99-year lease.

Mr. HALLEY. Have you had any other business transactions with Salvey?

Mr. BURBRIDGE. I sold him several pieces of property; yes, sir.

Mr. HALLEY. Did you make a profit on any of those sales?

Mr. BURBRIDGE. No.

Mr. HALLEY. Will you state what the sales were?

Mr. BURBRIDGE. I sold him—well, on some of them I got commissions. I sold him a property on Forty-first Street maybe 5 or 6 years ago. I doubt if I got any commission out of those. I don't think I did. They were four parcels on Forty-first Street.

Mr. HALLEY. Perhaps we can shorten it. You did get commissions from time to time—

Mr. BURBRIDGE. I got commissions.

Mr. HALLEY (continuing). From Salvey—

Mr. BURBRIDGE. Yes.

Mr. HALLEY (continuing). On real-estate sales?

Mr. BURBRIDGE. Yes.

Mr. HALLEY. Now, have you had any other transactions?

Mr. BURBRIDGE. No. I doubt it. No. If you can ask me about one you got all the information.

Mr. HALLEY. How many commissions would you say you got from him?

Mr. BURBRIDGE. Maybe two or three.

Mr. HALLEY. No other questions.

Mr. BURBRIDGE. Have you got a copy of the \$30,000 check?

Mr. HALLEY. Probably.

Mr. BURBRIDGE. I have been trying the last few days to get a copy of that. Could you tell me the number of it or may I see it? I lost the original.

The CHAIRMAN. Mr. Burbridge, this land that you leased to Mr. Salvey for \$6,000 a year for 99 years—when did you buy the land?

Mr. BURBRIDGE. I bought it probably 10 years ago.

The CHAIRMAN. How much did you pay for it?

Mr. BURBRIDGE. \$15,000.

The CHAIRMAN. \$15,000?

Mr. BURBRIDGE. Yes; that was the cost. I had a half interest in that. My half interest cost me \$7,500.

The CHAIRMAN. This \$6,000 a year is for your part of the lease?

Mr. BURBRIDGE. That is mine.

The CHAIRMAN. Is that what you get or what you and your partner get?

Mr. BURBRIDGE. No; that is mine.

The CHAIRMAN. Then the total lease is \$12,000 a year?

Mr. BURBRIDGE. No. He bought the other half interest.

The CHAIRMAN. So you paid \$7,500 for it 10 years ago—

Mr. BURBRIDGE. And leased it for \$6,000 a year for 99 years.

The CHAIRMAN. Did you put any improvements on it of any substantial nature?

Mr. BURBRIDGE. No. The city put some very substantial improvements on it. I bought it as an apartment site and they turned it into business and that makes it valuable.

The CHAIRMAN. Were you on the city council then?

Mr. BURBRIDGE. Yes.

The CHAIRMAN. Do you have to pay taxes on this \$6,000 a year? I mean, do you have to pay real-estate taxes, insurance, or anything like that, or is that net to you?

Mr. BURBRIDGE. No; I don't pay any taxes.

The CHAIRMAN. You get \$6,000 a year out of an investment of \$7,500 you made 10 years ago?

Mr. BURBRIDGE. Yes.

The CHAIRMAN. All right, sir.

Mr. BURBRIDGE. That is my business. I have done that a number of times.

The CHAIRMAN. That is all, Mr. Burbridge. We will look for this check. Did we get this check from you?

Mr. BURBRIDGE. It isn't pertinent to this.

Mr. HALLEY. We will try to find it. If we have it we will let you see it or photostat it or do whatever you need.

Mr. BURBRIDGE. You haven't got two copies, have you?

Mr. HALLEY. We are looking for it. We have quite a few checks of yours.

The CHAIRMAN. Mr. Furman, will you come around here?

**FURTHER TESTIMONY OF M. G. FURMAN, ACCOUNTANT,
MIAMI BEACH, FLA.**

Mr. HALLEY. Mr. Furman, you were sworn yesterday?

Mr. FURMAN. That is right.

Mr. HALLEY. We have your records here, do we not?

Mr. FURMAN. You do.

The CHAIRMAN. What is your first name, Mr. Furman?

Mr. FURMAN. M. G. Furman.

Mr. HALLEY. Will you just as briefly as you can state what records you have produced and put them before the committee so that they can be taken into evidence?

Mr. FURMAN. The work sheets which I have prepared in connection with the pending revenue agent's examination in my capacity as accountant for Mr. Salvey.

I would like to call to the attention of this committee that there is a certain section under the laws of the State of Florida which states that documents and other information obtained by a c. p. a. serving a client are privileged communications.

Mr. HALLEY. You have already given them to the committee. We have looked at them. The privilege is gone.

Mr. FURMAN. I wouldn't know whether it is or not.

Mr. HALLEY. It is. There is no privilege left after you make something public.

Mr. FURMAN. I want to put that in the record so that it will show that I am appearing in my capacity as a c. p. a. presently engaged in an income-tax matter pending before the Bureau of Internal Revenue involving Harold Salvey.

Mr. HALLEY. Surely.

The CHAIRMAN. All right, put this in the record.

Mr. FURMAN. This is the section [handing document to the chairman].

The CHAIRMAN. Put in the record [handing document to the reporter].

(Chapters 473.15 and 473.18, Laws of Florida, were copied into the record as follows:)

CHAPTER 473.15. Communications between accountant and client privileged. All communications between certified public accountants and public accountants and the persons for whom such certified public account or public accountant shall have made any audit or other investigation in a professional capacity and all other information obtained by certified public accountants in their professional capacity concerning the business and affairs of clients shall be deemed privileged communications in all of the courts of this State, and no such certified public accountant or public accountant shall be permitted to testify with respect to any of said matters except with the consent in writing of such client or his legal representative.

CHAPTER 473.18. Records, etc., to remain property of accounts. All statements, records, schedules, and memoranda made by a c. p. a. or a public accountant or the employee or employees of a c. p. a. or of a public accountant, incident to or in the course of professional service to a client, except the reports submitted by such c. p. a. or public accountant to the client, shall be and remain the property of such c. p. a. or public accountant in the absence of an express agreement between the c. p. a. or public accountant and the client.

Mr. HALLEY. I think to your credit it should be stated, Mr. Furman, that you did produce them and produced them voluntarily and the committee had them for a day.

Mr. FURMAN. That was my purpose in presenting this.

The CHAIRMAN. It is part of the record, Mr. Furman.

Mr. HALLEY. Let us go ahead with the rest, please.

Mr. FURMAN. These are various work sheets that I have developed [indicating] which include income-tax returns and other data of Harold Salvey. They include various papers pertaining to purchases and so forth. They include canceled checks and the like, taxes and so forth, and other documents pertaining to real estate that Harold Salvey made improvements on, placed improvements on, construction costs, and so forth.

Mr. HALLEY. You have also done accounting for the S. & G. Syndicate?

Mr. FURMAN. The accounting I have done for the S. & G. Syndicate is what I have done since I was retained by their attorney.

Mr. HALLEY. This year?

Mr. FURMAN. Within the last few weeks.

Mr. HALLEY. And you made an examination of their books for certain purposes?

Mr. FURMAN. For certain purposes that I testified to here.

Mr. HALLEY. And you had the books of the S. & G. Syndicate in your office?

Mr. FURMAN. That is right.

Mr. HALLEY. And you also had 30-line sheets?

Mr. FURMAN. I did not. I did not testify I did.

Mr. HALLEY. I am asking you now.

Mr. FURMAN. I did not.

Mr. HALLEY. Weren't they turned over by the Bureau of Internal Revenue to you?

Mr. FURMAN. They were not.

Mr. HALLEY. In connection with your investigation of the books and records of the S. & G. Syndicate could you tell this committee what the gross income of the S. & G. Syndicate was for the year 1948.

Mr. FURMAN. No, sir.

Mr. HALLEY. The gross.

Mr. FURMAN. The gross?

Mr. HALLEY. Yes.

Mr. FURMAN. I cannot recall.

Mr. HALLEY. You have seen the figures, haven't you?

Mr. FURMAN. I have seen the figures at one time, yes.

Mr. HALLEY. Isn't the gross "ins" \$26,520,045?

Mr. FURMAN. In that neighborhood.

Mr. HALLEY. What is the gross "ins" for the year 1949?

Mr. FURMAN. I did not have anything to do with 1949 because the pending tax case is merely up to 1948.

Mr. HALLEY. Let us take the year 1948. Will you state whether that figure of \$26,520,045 would represent the total of all the bets taken in by the S. & G. Syndicate?

Mr. FURMAN. I wouldn't know.

Mr. HALLEY. Would you say that \$26,520,045 represented the total of all the bets booked by the S. & G. Syndicate and its agents for that year?

Mr. FURMAN. You mean——

The CHAIRMAN. You mean, the total amount that came in? Is that what you are referring to?

Mr. HALLEY. Yes.

Mr. FURMAN. You mean, the total amount that was bet?

Mr. HALLEY. Yes.

Mr. FURMAN. That is the money bet, if that is what he is talking about.

Mr. HALLEY. The total amount bet with them; yes?

Mr. FURMAN. If you developed that from the records you would know.

Mr. HALLEY. Well, the total amount would be considerably larger than that, wouldn't it?

Mr. FURMAN. Not if you are talking about the money bet.

Mr. HALLEY. What would the total amount bet be?

Mr. FURMAN. I don't know.

Mr. HALLEY. Did you hear the testimony of Gips here a little while ago?

Mr. FURMAN. I couldn't hear much of it.

Mr. HALLEY. Well, did you hear him testify that during the season a bookie would take in \$2,000 or \$3,000 a day in bets?

Mr. FURMAN. I don't think I was in the room when he said that.

Mr. HALLEY. Would that seem unreasonable to you?

Mr. FURMAN. They have varying places, I suppose. That I wasn't concerned with.

Mr. HALLEY. He is a small operator, isn't he?

Mr. FURMAN. I don't know Mr. Gips. I never heard of him.

Mr. HALLEY. Then he must be a small operator.

Mr. FURMAN. I wouldn't say that because I am not familiar with the different stations that operated.

Mr. HALLEY. While he was testifying I did some arithmetic. Let us see if you as an accountant will go along with me on it. If you figure 100 days in the season an average, a little over 3 months, and you figure that the average bookie took in only \$1,000 a day during the season you would get \$100,000 per bookie; is that right?

Mr. FURMAN. Will you start again so I can follow you?

Mr. HALLEY. Suppose you figure there are 100 days in the winter season.

Mr. FURMAN. Yes, and there is.

Mr. HALLEY. And \$1,000 a day taken in gross bets.

Mr. FURMAN. Then the bets would be \$100,000.

Mr. HALLEY. \$100,000 taken in by the bookie; is that right?

Mr. FURMAN. That is right.

Mr. HALLEY. And that is taking a low figure. You said \$1,000, \$2,000, or \$3,000.

Mr. FURMAN. On the basis of your hypothesis. I don't know.

Mr. HALLEY. How many bookies are there working for the S. & G. Syndicate?

Mr. FURMAN. I have no knowledge of it.

Mr. HALLEY. Isn't it around 200?

Mr. FURMAN. I don't know.

Mr. HALLEY. Well, the books and records show a minimum of 200 locations.

Mr. FURMAN. If you say so. I don't know.

Mr. HALLEY. Well, you have seen the books.

Mr. FURMAN. I have seen the general ledger as I testified, and the journals. I merely saw one book which was for 1949 as an illustration only. The other records I have never seen.

Mr. HALLEY. Well, suppose you take 200 locations; what did your illustration show for 1949 as to the number of locations?

Mr. FURMAN. I didn't count them. There was a ledger.

Mr. HALLEY. Two hundred would be a low estimate; don't you think so?

Mr. FURMAN. I wouldn't say that.

Mr. HALLEY. It would be a high estimate?

Mr. FURMAN. It would be a high estimate, I would think.

Mr. HALLEY. Let us go ahead on 200 anyhow, because we are taking a very low estimate on the \$100 a day, don't you think?

Mr. FURMAN. I have no knowledge.

Mr. HALLEY. During the season.

Mr. FURMAN. I have no knowledge what they did because I have never seen any 30-line sheets. I merely made a limited examination as I testified to the other day. It was for limited purposes. In that connection I just saw general total figures.

Mr. HALLEY. Accepting Mr. Gip's testimony and multiplying \$1,000 by 100 days you get \$100,000; is that right?

Mr. FURMAN. That would be right.

Mr. HALLEY. Would you multiply that by 200 bookies? You get \$20,000,000, do you not?

Mr. FURMAN. \$20,000,000 is right.

Mr. HALLEY. Now, Mr. Gips testified that when the season is not on during the rest of the year he would take in a minimum of \$200 a day in any event. Will you multiply \$200 a day by 250 days for the remainder of the year? That gives you \$75,000, doesn't it?

Mr. FURMAN. 250 times \$200 I guess gives—gives me \$50,000.

Mr. HALLEY. \$50,000? Yes; that is correct. Then let us assume that during the off season there are only 100 bookies operating. Would that be a fair assumption?

Mr. FURMAN. I suppose. I don't know.

Mr. HALLEY. And you get \$5,000,000 there; is that right?

Mr. FURMAN. \$5,000,000? Yes; that is right.

Mr. HALLEY. So you get \$20,000,000 plus \$5,000,000; is that right?

Mr. FURMAN. On the basis of this hypothesis.

Mr. HALLEY. And that is fairly close to the \$26,520,045 that the books show for 1948; is that right?

Mr. FURMAN. If you say the books show that. I merely have—

Mr. HALLEY. Don't you have any recollection?

Mr. FURMAN. I merely have a general recollection because I examined them a number of years ago.

Mr. HALLEY. But that sounds like the right figure, doesn't it? There is no reason why I should deceive you as to what the books actually show?

Mr. FURMAN. I am not saying that. I am stating that you are merely telling me what the books show.

Mr. HALLEY. Do you know the percentage of return that the race-track odds give the State parimutuel from bets in this State?

Mr. FURMAN. I do not have it. I heard it rumored.

Mr. HALLEY. It is not a matter of rumor. It is a matter of law.

Mr. FURMAN. I don't know as a matter of personal knowledge what they do.

Mr. HALLEY. Well, isn't it general information that the parimutuel machines are so fixed as to give a return of 15 percent to the operation, the odds are arranged mathematically?

Mr. FURMAN. I have heard it said that the race tracks take off of the amount of money bet a certain percentage of the operation of the track and they take off of that a certain percentage, I think, that goes to the State of Florida and whatever other items that are involved.

Mr. HALLEY. And it is worked out so that the total amount returned to the bettors is 85 percent of the total amount bet and 15 percent stays with the operation?

Mr. FURMAN. That is what I heard; approximately.

Mr. HALLEY. Now, the syndicate doesn't pay any better odds than the race track, does it? It pays the race track odds.

Mr. FURMAN. I don't know of my own knowledge that they do.

Mr. HALLEY. Isn't it a fact that they pay the same percentage as the race track?

Mr. FURMAN. I do not know.

Mr. HALLEY. Have you ever been told that?

Mr. FURMAN. I have not.

Mr. HALLEY. Have you ever placed a bet?

Mr. FURMAN. At the track?

Mr. HALLEY. No, with the syndicate.

Mr. FURMAN. No, sir.

Mr. HALLEY. Never?

Mr. FURMAN. Never.

Mr. HALLEY. What do your records show as the income for 1948 from the syndicate for Harold Salvey?

Mr. FURMAN. That is not in these papers here.

Mr. HALLEY. Well, you are his accountant.

Mr. FURMAN. I brought a mass of documents. I haven't found it.

Mr. HALLEY. Take your time.

Mr. FURMAN. Here it is. The income-tax return, a copy of which I have here for the calendar year 1948, reflects Harold Salvey's distributive share of ordinary net income as \$93,000.

Mr. HALLEY. The Bureau of Internal Revenue has contested that figure; has it not?

Mr. FURMAN. That is correct.

Mr. HALLEY. They claim it should be considerably larger, don't they?

Mr. FURMAN. That is right.

Mr. HALLEY. Have you yet arrived at a compromise figure?

Mr. FURMAN. No. The case is pending and there is an appointment in Washington.

Mr. HALLEY. Hasn't the point been made as a starting point on this tax situation that the S. & G. Syndicate makes at least 15 percent on its bets but probably more because they don't pay odds of more than 20 to 1 whereas the race-track does?

Mr. FURMAN. I do not know anything about that, Mr. Halley.

Mr. HALLEY. How could you prepare this income-tax case without knowing these facts?

Mr. FURMAN. Because we didn't get into that phase of it yet.

Mr. HALLEY. Well, everybody else seems to have gotten into it.

Mr. FURMAN. I didn't.

Mr. HALLEY. If the S. & G. Syndicate does as well as the race track and makes 15 percent of its expenses on \$26,520,045 worth of bets in 1948 what would the profit on those bets be?

Mr. FURMAN. I make it approximately \$4,000,000.

Mr. HALLEY. Now, the S. & G. did show some expenditures for the year 1948, did they not?

Mr. FURMAN. They show very large expenses.

Mr. HALLEY. What did they show according to the income-tax return they filed for 1948?

Mr. FURMAN. I can't tell from this tax return.

Mr. HALLEY. Can you tell from the books and records you saw?

Mr. FURMAN. I cannot.

The CHAIRMAN. Let us see that.

Mr. FURMAN. Yes [handing document to the chairman].

Mr. HALLEY. They show expenses of about \$1,254,000 for assorted costs of operation, don't they?

Mr. FURMAN. I wouldn't know that.

The CHAIRMAN. Doesn't this show deductions of six hundred thousand—

Mr. FURMAN. No. That is not it, Senator. That top figure is the so-called money bet but as reduced by the losses and other expenses that are paid off the top. That is what the top figure is.

Mr. HALLEY. Well, isn't the trouble that the way they do it is to take their money each day, make a daily settlement in cash with the bookie, and then proceed to throw the sheets on which the settlement is made away, destroy the sheet on which the settlement is made so that you can't tell afterward what they made or what they haven't made?

Mr. FURMAN. I heard that was said.

Mr. HALLEY. Isn't it also a fact that they claim that they paid out in 1948, \$24,696,000 in losses to betters?

Mr. FURMAN. What year?

Mr. HALLEY. 1948.

Mr. FURMAN. I wouldn't know that.

Mr. HALLEY. Which would give them a profit of only \$1,823,000 on their bets.

Mr. FURMAN. If I can have that tax return, maybe I could reconcile that figure.

The CHAIRMAN. All right [handing document to witness].

Mr. HALLEY. In other words, they claim they are not getting their 15 percent return.

Mr. FURMAN. That is correct.

Mr. HALLEY. But that is impossible if they are paying the race-track odds and refuse to pay more than 20 to 1 on any bet.

Mr. FURMAN. On the basis of your assumption only.

Mr. HALLEY. They do pay the race-track odds, don't they?

Mr. FURMAN. They pay the race-track odds, but that doesn't mean that the actual losses they incur run in that proportion.

Mr. HALLEY. Why not?

Mr. FURMAN. Because what the race track does is to merely take something off the cuff, and they take bets as they come in. The individuals who go to the window and place their bets, these individuals—I am merely surmising—are concerned with large operators or larger bets.

Mr. HALLEY. Isn't it quite the contrary?

Mr. FURMAN. Or smart money if you want to call it that.

Mr. HALLEY. Isn't it quite the contrary that when a "hot" horse comes along all the smart money is bet on the "hot" horse, the race track has to take the bets but S. & G. wouldn't take those bets?

Mr. FURMAN. I wouldn't say that.

Mr. HALLEY. Isn't it also a fact that S. & G. maintains telephones with bookies all over the country to watch at the last minute for a lot of smart money being put on a horse so that all the bookies could and

do refuse to take it when they see that the smart bettors are ganging up on it?

Mr. FURMAN. Mr. Halley, you are telling me something I don't know.

Mr. HALLEY. That is something the pari mutuel can't do. They take every bet that comes along, is that right?

Mr. FURMAN. Pari mutuel takes bets as they come in. Most of the—I am not familiar with the methods of bookie operations.

Mr. HALLEY. Well, the records of this committee made in executive session show, for instance, that the gambler, Frank Erickson, would keep a man posted on the track to take bets that he didn't want to hold and they would put them right into the machine, the "hot" bets, those that the syndicate didn't feel that they wanted to take a chance on. They would palm them off on the machines.

Mr. FURMAN. If you say so.

Mr. HALLEY. Don't you know that?

Mr. FURMAN. I do not know that. The scope of my work was extremely limited. I never was the auditor for the S. & G. Syndicate. I was retained by their attorney here lately and I only had a limited amount of time to get into this thing. We are preparing for a tax case.

Mr. HALLEY. If those things are right then the S. & G. Syndicate must have made more than 15 percent on its bets.

Mr. FURMAN. If you take your assumptions to be so the answer is "Yes."

Mr. HALLEY. I have no other questions of this witness.

The CHAIRMAN. I just want to ask: Do you consider these bookies like Frenchy and these fellow employees of the S. & G. or what are they?

Mr. FURMAN. I would be inclined to think they are independent contractors. This is my personal opinion.

The CHAIRMAN. S. & G. on the bets they take, at least the small bets they divided 50-50?

Mr. FURMAN. Well, it wasn't exactly that. It was the money bet less the money paid out of the top which included losses and expenses of various kinds as agreed to under the contract.

The CHAIRMAN. What is this \$50 off the top for an operator? What does he pay that for a week?

Mr. FURMAN. That is for wire services, as I understand it.

The CHAIRMAN. Wire—

Mr. FURMAN. Wire facilities.

The CHAIRMAN. He pays \$50 and he gets half of all the bets that are not paid off?

Mr. FURMAN. It goes into what are called the "outs" to arrive at net. When the net "ins" is in excess of the total expenditures, then you have a certain figure. Off that figure the usual arrangement is 50 percent to the agent and out of that—no; I beg your pardon. It is the net "ins" but as reduced by the rental allowance.

The bookie usually makes his own arrangements with the hotel or cabana or whatever place he is operating. He pays that hotel a certain amount of rent. That rent includes other things—cigar-stand operations and various other concessions that he may have rented around the hotel.

The point I am leading up to is that whether a cigar operator or bookie pays \$10,000-a-year rent when he made his accounting in con-

nection with the contract with the S. & G., he was allowed a limited amount of that money as a rent allowance. That rent allowance was deducted from the net "ins." Then the balance was split 50-50 as their share.

The CHAIRMAN. Now, your records show, also, don't they, that on bets that are laid off by the bookie—the big bets—why he doesn't share 50 percent?

Mr. FURMAN. When bets are laid off it is the total responsibility of the house—the S. & G.

The CHAIRMAN. And the total profit and loss of the house?

Mr. FURMAN. That is correct.

The CHAIRMAN. Then how about this wire service that \$50 is deducted for—the \$50 a week; is that a telephone to the bookie?

Mr. FURMAN. I understand that to be a contractual arrangement to compensate the S. & G. for the different facilities they extend to them in connection with the wire service.

The CHAIRMAN. Where does the wire service come from?

Mr. FURMAN. I do not know that.

The CHAIRMAN. Isn't \$50 a week an awful lot of money for one little telephone service?

Mr. FURMAN. Well, if you are asking me to assume things I would say that also includes the information of the morning line and the approximate odds and this and that and the other thing—the communications.

The CHAIRMAN. Does it include legal assistance or protection, or anything of that sort?

Mr. FURMAN. Not to my knowledge. I would say "No."

The CHAIRMAN. How about this \$75 a week that is on the side, do you know anything about that?

Mr. FURMAN. That \$75 a week comes out of their 50-percent share. That is reimbursement for the administrative and other direct costs.

The CHAIRMAN. You mean, there is \$50 a week for wire service and what not?

Mr. FURMAN. That comes off the top.

The CHAIRMAN. That comes off the top and out of the bookie's profit, out of his 50 percent he then pays \$75 a week, too?

Mr. FURMAN. He pays a certain weekly allowance, whatever it may be as agreed upon between the S. & G. and the individual spot.

The CHAIRMAN. What does that usually run to?

Mr. FURMAN. I have been told that it runs anywhere from \$40 to about \$160 or something like that a week.

The CHAIRMAN. Why would there be the difference? Why would you have that difference?

Mr. FURMAN. I suppose by contractual arrangement it depends on the volume or the estimate of the value of the spot.

The CHAIRMAN. Just what is that for?

Mr. FURMAN. That is for administrative expenses.

The CHAIRMAN. I mean, what is it though? I don't understand.

Mr. FURMAN. Well, the way it was explained to me the syndicate has its own employees and they have a large expense of operating rent, and this and that and the other thing so they charge the bookie under the arrangement a certain amount per week as a service charge.

The CHAIRMAN. You mean, to pay off his rent and employees in the office?

Mr. FURMAN. Sharing in the administrative expenses, that is the way I understand it to be.

The CHAIRMAN. Then what might result is S. & G. not have any overhead at all and just let the bookies carry it?

Mr. FURMAN. But it doesn't. The figures that I have seen and the figures on the tax return show that it doesn't.

The CHAIRMAN. What does, rather, what did the \$40 to \$160 a week amount to in 1948?

Mr. FURMAN. Maybe Mr. Halley has that figure. It is not broken down here.

Mr. HALLEY. What figure is it you want?

Mr. FURMAN. The question the Senator just asked.

The CHAIRMAN. This administration expense collected from the bookie. I just wanted to know how much it amounted to in the year 1948.

Mr. HALLEY. You have to take their word for it.

Mr. FURMAN. It is on the books.

Mr. HALLEY. It comes off the top.

Mr. FURMAN. No; it does not.

The CHAIRMAN. It goes through the books?

Mr. FURMAN. Sure it does.

The CHAIRMAN. Well, this Frenchy, Mr. Gips was saying that was on the side and Mr. Rosenbaum.

Mr. FURMAN. I doubt if that is so.

The CHAIRMAN. You think it goes right through the books?

Mr. FURMAN. I know definitely that the books reflect other income as compensation for services rendered. That is the way it is explained on the books.

The CHAIRMAN. Why don't they just put that in with the \$50? Why separate the two items?

Mr. FURMAN. I don't know what the purpose of the management in doing that is, but I can see the result of it.

The CHAIRMAN. What is the result? Is that the expense of the wire service absorbed 50-50?

Mr. FURMAN. The result of it is that the expense of the wire service is absorbed 50-50. The expense of this service charge is really carried in its entirety by the bookie.

The CHAIRMAN. If you had 100 bookies out operating and \$75 a week say is the average administrative expense——

Mr. FURMAN. I wouldn't say that.

The CHAIRMAN. Well, from \$50 to \$160 a week.

Mr. FURMAN. If I can refresh my recollection a moment maybe I can recall that. Some years it wasn't charged. I remember that. It was very small, but in the year 1948—I don't know. Maybe it is half this figure.

The CHAIRMAN. Well, anyway let us say \$75 a week is the average and you had 100 bookies, that is \$7,500 a week.

Mr. FURMAN. I never ran to more than \$200,000. I think the biggest figure I ever saw was \$275,000, something like that.

The CHAIRMAN. Who are the present partners of the S. & G. Syndicate?

Mr. FURMAN. As of——

The CHAIRMAN. As of the present time.

Mr. FURMAN. As of the present time?

The CHAIRMAN. Yes.

Mr. FURMAN. Jules Levitt—I am reading from the tax return—Charles Friedman, Harold Salvey, Sam Cohen, Ed Rosenbaum; that is reflected on the 1948 tax return and I testified the other day that the books indicated that Harry Russell became a partner in, I think it was, March of 1949.

The CHAIRMAN. Harry Russell came in in March 1949?

Mr. FURMAN. That is correct.

The CHAIRMAN. As a full partner?

Mr. FURMAN. He came in—

The CHAIRMAN. I mean, is he an equal partner with the others?

Mr. FURMAN. I think he has a sixth now.

The CHAIRMAN. Where did he come from?

Mr. FURMAN. I don't know.

The CHAIRMAN. Do you know the circumstances under which he got in?

Mr. FURMAN. I do not.

The CHAIRMAN. Do you know?

Mr. FURMAN. I reiterate again, Senator, that I have had no connection with the S. & G. until I was retained on this tax case pending.

The CHAIRMAN. Do the records that you have examined show whether the wire service was cut off sometime early in 1949?

Mr. FURMAN. Senator, I did not examine and had nothing to do with 1949 because that case is not pending before the Bureau of Internal Revenue. The case pending—

The CHAIRMAN. Well, you said you saw some record about Mr. Russell.

Mr. FURMAN. I saw a tax return for the calendar year 1949 and it indicated there that in approximately March of 1949 he began to participate in the operating results. I can further state that it resulted in a loss on his share.

The CHAIRMAN. He is a newcomer to Miami Beach, isn't he?

Mr. FURMAN. So far as I know.

The CHAIRMAN. All those other people, all those other men are old residents out here having been here a long time.

Mr. FURMAN. They appear to be.

The CHAIRMAN. They didn't need any new money to put into the operation, did they?

Mr. FURMAN. I do not know.

The CHAIRMAN. They are men of great means, you know that?

Mr. FURMAN. I don't—

The CHAIRMAN. So they wouldn't be looking for new investors to go in, would they?

Mr. FURMAN. I don't think so.

The CHAIRMAN. Can you imagine why they suddenly took in a new partner? Can you think of any reason?

Mr. FURMAN. Senator, you are asking me to suppose something which I cannot do.

The CHAIRMAN. I am asking you if they needed a new partner. I am asking did they need financial assistance?

Mr. FURMAN. I would say the purpose of taking a new man in was not for financial reasons, not from the financial standpoint.

The CHAIRMAN. And it wouldn't be from a technological standpoint. These men know their business. They have been in it a long time. They know how to operate it.

Mr. FURMAN. They have been out there a number of years, the records reflect that I examined.

The CHAIRMAN. Do you know when Harry Russell came to Miami Beach?

Mr. FURMAN. No, sir. I have never seen the man. I wouldn't know him if I saw him.

The CHAIRMAN. I believe that is all I have to ask.

Mr. FURMAN. May I have all those records back now, Senator? You know this case is pending. I have a lot of work.

The CHAIRMAN. Well, sir, we will have some representative of the committee in Miami for a few days and if you will agree to make the original records available—we have a pretty good digest of what your records are—in case they want to examine them.

Mr. FURMAN. Yes, I will be glad to make them available, to make available all data that I have in my possession under the circumstances.

The CHAIRMAN. We don't want to inconvenience you in the preparation of your case, Mr. Furman, but we will ask your cooperation in case there is any point they want to check.

Mr. FURMAN. Yes, sir.

The CHAIRMAN. But the records will be considered as exhibits to the testimony with the right to include in the record any detailed information the staff may present to the committee.

All right, Mr. Furman.

The committee will stand in recess until 2 o'clock this afternoon. (Whereupon, at 1 p. m., a recess was taken until 2 o'clock.)

AFTERNOON SESSION

The CHAIRMAN. The committee will come to order.

Mr. O'Rourke, do you solemnly swear that the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. O'ROURKE. Yes, sir.

The CHAIRMAN. I might say that the testimony of Mr. O'Rourke was taken in executive session so that there are only a few points that we are going into in this testimony today.

TESTIMONY OF JOHN F. O'ROURKE, MIAMI, FLA.

Mr. HALLEY. We will not go over the ground that has previously been covered. Mr. O'Rourke, you have heard the testimony of Mr. Schine?

Mr. O'ROURKE. No, sir, I didn't hear it.

Mr. HALLEY. You did not hear the testimony of Mr. Schine?

Mr. O'ROURKE. No, sir. I wasn't here last night. I read it in the papers.

Mr. HALLEY. Mr. Schine was asked about the circumstances under which you rented the bookmaking privileges at the Boca Raton. Perhaps it would be best if you started at the beginning and told the committee the entire story about how you happened to rent the bookmaking privileges at the Boca Raton.

Mr. O'Rourke. Well, the bookmaking privileges were leased to me by Mr. Schine for a sum. It came about that I believe I received a call. I forget who made the call, whether it was the stenographer or manager or who—I don't recall that—that Mr. Schine would like to see me at the Boca Raton. So I made a date with whoever called and told him I would be there.

I don't remember if it was in the morning or afternoon. I believe it was in the morning. I went down there to the Boca Raton. He told me that he would like me to lease the concession at the Boca Raton.

Mr. HALLEY. Who told you that?

Mr. O'Rourke. Mr. Schine.

Mr. HALLEY. Mr. Meyer Schine?

Mr. O'Rourke. Yes, sir.

Mr. HALLEY. In person?

Mr. O'Rourke. That is the only one I know. He said he would like me to lease a concession at the Boca Raton and have a book there. He explained why. He said the club was isolated down there and the people had nothing to do but play golf and go to cabanas and it probably would be something that his clientele would appreciate.

Mr. HALLEY. Did he call you or did you approach him on that?

Mr. O'Rourke. He didn't call me, but someone from the hotel said that Mr. Schine would like to see me.

Mr. HALLEY. Had you ever attempted to approach anybody in the management of the Boca Raton about obtaining that concession?

Mr. O'Rourke. No, sir. I didn't approach them. The summer before that—I mean, in the summer—that happened in December if I remember right, in the latter of 1946, another man who was connected with Mr. Schine at that time—I don't know his capacity, but I don't think he is in the hotel, I think he must be in real estate or something there—approached me.

Mr. HALLEY. When?

Mr. O'Rourke. During the summer. I don't know whether it was in June or July.

Mr. HALLEY. You mean it was in the summer?

Mr. O'Rourke. Yes.

Mr. HALLEY. He approached you?

Mr. O'Rourke. Yes, sir.

Mr. HALLEY. You didn't approach him?

Mr. O'Rourke. No, sir.

Mr. HALLEY. What was the other man's name?

Mr. O'Rourke. Mr. Anderson.

Mr. HALLEY. What did he say?

Mr. O'Rourke. He asked me if I would be interested in the concession at the Boca Raton.

Mr. HALLEY. You were the man who was recognized as controlling gambling in that county, weren't you?

Mr. O'Rourke. I don't know, Mr. Halley, about controlling it.

Mr. HALLEY. You were "Mr. Big" in that county, weren't you?

Mr. O'Rourke. No, sir. That was just some publicity, that's all.

Mr. HALLEY. Well, you had a pretty good finger in the pie, didn't you?

Mr. O'Rourke. Well, I don't know if you would call it a pretty good finger in the pie. I had a pretty good reputation. Anyway, Mr.

Anderson approached me and I told him I was interested. So, on his trip to New York he mentioned it to Mr. Schine, and then he got in touch with me.

Mr. HALLEY. You are just guessing that he may have mentioned, aren't you?

Mr. O'ROURKE. Well, I don't know about that.

Mr. HALLEY. You got a phone call and you went down to Mr. Schine?

Mr. O'ROURKE. That's right.

Mr. HALLEY. What did you say and what did Mr. Schine say?

Mr. O'ROURKE. He offered me the concessions down there, and we talked about it, and this seemed like a concession that I would be unable to handle by myself; it was too big. I couldn't handle it just by myself.

Mr. HALLEY. What happened?

Mr. O'ROURKE. Well, we talked back and forth and tried to reach some agreement, and I couldn't work out anything where I could handle it, and he suggested that I see Mr. Erickson; so I didn't know Mr. Erickson and never had met him, and I asked him where Mr. Erickson was, and he said, "You can probably locate him at the Roney Plaza Hotel."

Mr. HALLEY. Had you never met Mr. Erickson before?

Mr. O'ROURKE. No, sir; never had.

Mr. HALLEY. And Mr. Schine was the one who approached you about Erickson?

Mr. O'ROURKE. He said that maybe he would be interested in helping me carry the deal over, which was too much for me to handle.

Mr. HALLEY. Did you go to see Erickson?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Where did you see Erickson?

Mr. O'ROURKE. At the Roney Plaza Hotel.

Mr. HALLEY. Was he in a room at the Roney Plaza Hotel?

Mr. O'ROURKE. No, he wasn't.

Mr. HALLEY. Where was he?

Mr. O'ROURKE. I met him down on the sidewalk and we walked into that little tap bar, or something, there on the corner.

Mr. HALLEY. Had you made an appointment to meet him on the sidewalk there?

Mr. O'ROURKE. Yes, I had.

Mr. HALLEY. How did you make that appointment?

Mr. O'ROURKE. I don't know if I called Erickson or I don't remember if they made the appointment. I might have called him myself.

Mr. HALLEY. Was Erickson expecting you?

Mr. O'ROURKE. Yes, he was. We had a date.

Mr. HALLEY. He knew what you were coming to talk about?

Mr. O'ROURKE. I imagine so. I don't know.

Mr. HALLEY. In the conversation you had with him how did you happen to bring it up? Did you bring it up?

Mr. O'ROURKE. I don't think I did; to be frank with you, I said, "There's a proposition at the Boca Raton and it's too big for me to handle." His comment was, "Go up there and see if you can make a deal, and I'll go in with you."

Mr. HALLEY. Did he go in with you?

Mr. O'ROURKE. Yes; he did.

Mr. HALLEY. On a 50-50 basis?

Mr. O'ROURKE. Yes.

Mr. HALLEY. How long were you and Frank Erickson partners at Boca Raton?

Mr. O'ROURKE. In 1947 and 1948 and a little part of 1949.

Mr. HALLEY. How much did you pay the hotel for the concession?

Mr. O'ROURKE. The hotel concession, if I remember correctly, for the first year was around \$10,000.

Mr. HALLEY. The second year?

Mr. O'ROURKE. \$20,000 to \$22,500.

Mr. HALLEY. With whom did you negotiate the price?

Mr. O'ROURKE. Mr. Schine agreed on the price.

Mr. HALLEY. You talked price with Mr. Schine?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Mr. Meyer Schine?

Mr. O'ROURKE. That's right.

Mr. HALLEY. On what occasion did you negotiate the price with Mr. Schine personally?

Mr. O'ROURKE. At Boca Raton; I went back and told him—I said, "We will take it for \$5,000."

Mr. HALLEY. Did you tell him Erickson had agreed to go in?

Mr. O'ROURKE. Yes.

Mr. HALLEY. There is no question in your mind that Mr. Schine suggested Erickson?

Mr. O'ROURKE. That is the only man I talked to about the negotiations.

Mr. HALLEY. You didn't suggest Erickson yourself?

Mr. O'ROURKE. No.

Mr. HALLEY. In fact you didn't want Mr. Erickson muscling into your county particularly, did you?

Mr. O'ROURKE. Well, I think my reputation up there is all right.

Mr. HALLEY. Your reputation is such that Mr. Erickson would not be very apt to muscle in unless he was invited?

Mr. O'ROURKE. Of course, he was invited in at that time. He may have been doing me a favor, too.

Mr. HALLEY. Who actually ran the concession, you or Erickson, at the Boca Raton?

Mr. O'ROURKE. Well, I guess I had pretty good charge of it, although I wasn't there.

Mr. HALLEY. Didn't you testify the last time that you were not there and that it was actually operated by Erickson's employees?

Mr. O'ROURKE. I said that he had men there.

Mr. HALLEY. They did the actual taking of the bets and dealing with the people?

Mr. O'ROURKE. Yes.

Mr. HALLEY. You said you were down there every day to see how things were going?

Mr. O'ROURKE. Not every day.

Mr. HALLEY. You didn't go every day?

Mr. O'ROURKE. No; maybe once or twice a week; sometimes once a week.

Mr. HALLEY. A horse-betting establishment like that requires someone to be on the job to to run it, doesn't it?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Who are the men who were actually on the job running the establishment at the Boca Raton?

Mr. O'ROURKE. I had two men down there; a man by the name of Russell—

Mr. HALLEY. What was his first name?

Mr. O'ROURKE. I don't know that; they call him Red Russell. I will have to get that off of the social security.

Mr. HALLEY. Was he one of Erickson's people?

Mr. O'ROURKE. One of mine.

Mr. HALLEY. Who was the other one?

Mr. O'ROURKE. The other one was a fellow by the name of Caphart.

Mr. HALLEY. Was he your man?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Did Erickson have any men there?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Who were Erickson's men?

Mr. O'ROURKE. I believe a man by the name of Morro, an Italian name.

Mr. HALLEY. Who else?

Mr. O'ROURKE. I believe that is all.

Mr. HALLEY. When you went back to see Mr. Schine and after you talked to Mr. Erickson, did you tell him that Erickson had agreed to go into the deal?

Mr. O'ROURKE. I don't see how he could have kept from knowing.

Mr. HALLEY. Did you ever meet Erickson again?

Mr. O'ROURKE. Yes; several times.

Mr. HALLEY. Where?

Mr. O'ROURKE. Sometimes he would be there.

Mr. HALLEY. You would go there and meet Erickson at the Boca Raton?

Mr. O'ROURKE. Yes; I have met him there.

Mr. HALLEY. Was Meyer Schine ever there when you met Erickson at the Boca Raton?

Mr. O'ROURKE. No; I don't believe so.

Mr. HALLEY. Did you have certain transactions with Mickey Cohen, of California?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Will you state just what those transactions were, starting at the beginning and going right through? You were operating a bookmaking establishment in West Palm Beach?

Mr. HALLEY. Also a gambling house?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Will you describe those operations?

Mr. O'ROURKE. Well, to conduct the operation you just go in and take bets.

Mr. HALLEY. Did you have telephones there?

Mr. O'ROURKE. We ran without them for some time.

Mr. HALLEY. But at some time you did have telephones?

Mr. O'ROURKE. Several years ago.

Mr. HALLEY. How many phones?

Mr. O'ROURKE. Two, I think.

Mr. HALLEY. Did you have wire service?

Mr. O'ROURKE. Yes, sir.

Mr. HALLEY. You took bets from people at that establishment; is that right?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Where was it located?

Mr. O'ROURKE. In the Climatis Arcade.

Mr. HALLEY. Did you also have certain gambling games?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Did you have a card game?

Mr. O'ROURKE. Yes.

Mr. HALLEY. During this period did you have these transactions with Mickey Cohen?

Mr. O'ROURKE. Yes.

Mr. HALLEY. I show you certain checks payable to the order of Mickey Cohen, signed John F. O'Rourke, and ask you what they are, and in the course of describing the checks, I will ask you to describe each transaction with Mickey Cohen.

Mr. O'ROURKE. These checks represent bets on horses.

Mr. HALLEY. Take one at a time and work through them and tell the committee exactly what happened. First, how did you get in contact with Mickey Cohen?

Mr. O'ROURKE. He called me on the phone from Los Angeles and asked me if I wanted to take any horse bets.

Mr. HALLEY. Will you go ahead with the conversation?

Mr. O'ROURKE. I told him I would take some horse bets from him, so he bet me the horses.

Mr. HALLEY. You have never met Mickey Cohen?

Mr. O'ROURKE. Never in my life.

Mr. HALLEY. He just called you up and asked you if you would take some bets?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Did you agree to take the bets?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Were there certain types of bets you said you wouldn't take?

Mr. O'ROURKE. That is right.

Mr. HALLEY. Tell the committee about that.

Mr. O'ROURKE. I wouldn't take any bets on California tracks.

Mr. HALLEY. Why not?

Mr. O'ROURKE. Because it was too far away.

Mr. HALLEY. You were not quite trusting about it either?

Mr. O'ROURKE. No; because their post time is much later than ours.

Mr. HALLEY. In any event, you did take some bets on Florida races?

Mr. O'ROURKE. Yes.

Mr. HALLEY. And what happened?

Mr. O'ROURKE. Some of them won and some of them lost.

Mr. HALLEY. Over how long a period?

Mr. O'ROURKE. I believe that relationship existed 5 or 6 months.

Mr. HALLEY. Did more of them win or did more of them lose?

Mr. O'ROURKE. The results were that more of them won.

Mr. HALLEY. In fact, the whole deal was pretty disastrous to you, wasn't it?

Mr. O'ROURKE. That is right.

Mr. HALLEY. Were the bets numerous in the course of each day?

Mr. O'ROURKE. I would say, to the best of my recollection, that he gave me anywhere from four or five bets to six or eight bets a day.

Mr. HALLEY. They all came in on the long-distance telephone?

Mr. O'ROURKE. That is right.

Mr. HALLEY. From Mickey Cohen himself?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Would he call you directly?

Mr. O'ROURKE. Yes.

Mr. HALLEY. You took his word for it. If he said a bet was down, it was down?

Mr. O'ROURKE. Yes.

Mr. HALLEY. There was never any disagreement about that?

Mr. O'ROURKE. Never.

Mr. HALLEY. How did you settle up?

Mr. O'ROURKE. We had an arrangement to settle when it reached around \$5,000, whichever way the money would be due.

Mr. HALLEY. Did you settle every time one of you owed the other \$5,000?

Mr. O'ROURKE. Somewhere around that figure.

Mr. HALLEY. Did you ever get to owe him \$5,000?

Mr. O'ROURKE. I owed him \$5,000.

Mr. HALLEY. Did he ever get to owe you \$5,000?

Mr. O'ROURKE. No.

Mr. HALLEY. He never did once get to owe you \$5,000?

Mr. O'ROURKE. No; I got close to it. I was ahead of him several times, but before we got to that figure he would catch up and get it back.

Mr. HALLEY. In other words, he would balance off after each day?

Mr. O'ROURKE. Yes.

Mr. HALLEY. Will you describe the checks you have there and state what they are and for how much?

Mr. O'ROURKE. This one is for \$3,495.

Mr. HALLEY. What is the date on it?

Mr. O'ROURKE. October 17, 1947.

Mr. HALLEY. The next one.

Mr. O'ROURKE. \$10,000, October 17, 1947. The next one is December 3, 1947, \$5,000; the next one is December 3, 1947, \$4,855; the next one is December 3, 1947, \$5,000; the next one is March 18, 1948, \$10,000; the next one is March 30, 1948, \$10,000; the next one is April 10, 1948, \$10,000; the next one is June 7, 1948, \$5,000; the next one is July 3, 1948, \$3,645; the next one is July 11, 1948, \$3,000; the next one is August 5, 1948, \$5,000; the next one is June 16, 1948, \$5,000; the next one is November 1, 1948, \$2,500; and the last one is November 15, 1948, \$2,500.

Mr. HALLEY. Altogether how much did you lose to him?

Mr. O'ROURKE. Possibly around \$50,000.

Mr. HALLEY. A little over \$50,000?

Mr. O'ROURKE. Yes.

Mr. HALLEY. In about 6 months.

Mr. O'ROURKE. Yes.

Mr. HALLEY. After that you stopped dealing with him?

Mr. O'ROURKE. I had to quit.

Mr. HALLEY. Thank you.

**TESTIMONY OF WALTER CLARK, SHERIFF, BROWARD COUNTY,
FLA., ACCOMPANIED BY C. L. CHANCEY, ATTORNEY**

The CHAIRMAN. Do you solemnly swear that the testimony you are about to give to this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CLARK. I do.

The CHAIRMAN. Sheriff, you are the sheriff of Broward County?

Mr. CLARK. Yes, sir.

The CHAIRMAN. How old are you?

Mr. CLARK. 46.

The CHAIRMAN. When were you elected sheriff of Broward County?

Mr. CLARK. I took office in January of 1933.

The CHAIRMAN. You have served almost constantly since that time?

Mr. CLARK. Yes.

The CHAIRMAN. Except during the length of time when you were removed by Governor Holland?

Mr. CLARK. I was suspended, not removed.

The CHAIRMAN. When was that?

Mr. CLARK. I don't remember what year that was.

The CHAIRMAN. It was in about 1944, sometime in there?

Mr. CLARK. It was sometime in 1944.

The CHAIRMAN. Now, Sheriff Clark, let us get right down to the point of our problem here. Up in Broward, in the south end of Broward County, you had operating during the season at various times the Club Greenacres, Colonial Inn, the Club Boheme, and The Farm, and I believe you testified that there were four or five operating in Broward County and have been for quite a number of years, is that right?

Mr. CLARK. Four or five clubs, yes; but not gambling places to my knowledge. They are clubs.

The CHAIRMAN. You have never known that there was gambling in those places?

Mr. CLARK. Rumors, but no actual evidence on it.

The CHAIRMAN. With all of the information around about those places, why didn't you close them up, and what is the problem?

Mr. CLARK. I never had any kick on it. I never had any complaints that they were gambling.

The CHAIRMAN. As a matter of fact, it has always been your policy to operate on a liberal sort of basis, as you have told the committee.

Mr. CLARK. Yes.

The CHAIRMAN. What do you mean by a liberal sort of basis?

Mr. CLARK. Well, I am not going around snooping in private businesses and homes.

The CHAIRMAN. If people want this gambling and want to operate these places, it is their business so long as they don't bother somebody; is that what you mean?

MR. CLARK. Unless it is an order from the court or somebody comes in and makes an affidavit.

THE CHAIRMAN. Greenacres was operating during last season, wasn't it?

MR. CLARK. I believe the Greenacres was operating; yes.

THE CHAIRMAN. Why didn't you close them up?

MR. CLARK. Nobody came in and made any affidavit or made any complaint before the court.

THE CHAIRMAN. When you ran for office on this so-called liberal ticket what was said about the gambling operations?

MR. CLARK. My opponent and the newspapers said that there was gambling going on in the county and had been going on.

THE CHAIRMAN. What did you say about it?

MR. CLARK. I didn't say anything about it.

THE CHAIRMAN. Of course, you didn't say that you either would or would not do anything about it?

MR. CLARK. No.

THE CHAIRMAN. You knew Jake Lansky (Jack) who was operating Greenacres and had operated Colonial Inn, didn't you?

MR. CLARK. Yes.

THE CHAIRMAN. You were familiar with his record, that he had a long record of arrests and convictions?

MR. CLARK. No; I didn't.

THE CHAIRMAN. You didn't know that?

MR. CLARK. No, sir.

THE CHAIRMAN. Did you know who his partners were. Erickson, Costello, and many others who had been in these operations?

MR. CLARK. No, sir.

THE CHAIRMAN. How often did you see Mr. Lansky?

MR. CLARK. I have seen him at different times.

THE CHAIRMAN. Sheriff, when these people would build a great big building, a great big place like one of these clubs and decide to open up, how did they get permission to do so?

MR. CLARK. I don't know.

THE CHAIRMAN. Would they get in touch with you?

MR. CLARK. No.

THE CHAIRMAN. You said here something about getting official permission in your testimony before the committee, that they got official permission to open up. Who did they get it from?

MR. CLARK. I don't remember saying anything about any official permit.

THE CHAIRMAN. I will come across that later. I noticed in your testimony before that Mr. Halley asked you, "Did you or did you not know gambling was going on?" and you said, "Yes."

MR. CLARK. When we made the raids about the complaints on them we arrested them.

THE CHAIRMAN. Whenever you went into places and made raids you found gambling going on, is that right?

MR. CLARK. What?

THE CHAIRMAN. When you went in and looked around you found that gambling was going on?

MR. CLARK. Yes.

THE CHAIRMAN. What raids did you ever make? How many raids on these places have you made during the past few years?

Mr. CLARK. I don't recall. I will have to check up on that.

The CHAIRMAN. One, two, or, how many?

Mr. CLARK. I guess my officers made more than that.

The CHAIRMAN. To your knowledge how many raids have you ever made, you or your officers on Greenacres, Colonial Inn, or the Farm?

Mr. CLARK. I couldn't say. I don't remember.

The CHAIRMAN. You just don't remember?

Mr. CLARK. No.

The CHAIRMAN. Do you know Jake Lansky?

Mr. CLARK. Yes.

The CHAIRMAN. Do you know Meyer Lansky?

Mr. CLARK. No.

The CHAIRMAN. How long have you known Jake Lansky?

Mr. CLARK. He has been living in Hollywood there 12 or 15 years.

The CHAIRMAN. You knew that he was operating these places up there in Broward County, is that correct?

Mr. CLARK. I knew that he was operating these places, yes; clubs.

The CHAIRMAN. You knew that he was running these places up there?

Mr. CLARK. Yes.

The CHAIRMAN. Did Jake Lansky and the various operators of these places contribute to your campaign for sheriff?

Mr. CLARK. I couldn't say whether they did or not.

The CHAIRMAN. You don't know? Did the boys in the south end handle that end of the campaign?

Mr. CLARK. Some of it. I know that I had people working down there. The people were working down there but I didn't pay them to work for us.

The CHAIRMAN. Do you know whether they got money from the Lanskys and the operators of these places?

Mr. CLARK. Mr. Lansky told me that he was going to do all that he could for me down there.

The CHAIRMAN. And you understood that he did do that?

Mr. CLARK. Yes.

The CHAIRMAN. And you know that he contributed a substantial amount to your campaign for sheriff?

Mr. CLARK. I don't know what he contributed.

The CHAIRMAN. Anyway, he did contribute?

Mr. CLARK. He said he would do what he could and he hired some workers.

The CHAIRMAN. Your brother Robert handled the south end of the county largely, didn't he?

Mr. CLARK. I don't know what you mean by handling the south end.

The CHAIRMAN. I mean, he looked after the campaign down in that end?

Mr. CLARK. He worked down there; yes.

The CHAIRMAN. How about Claude Litteral? Did he handle part of your campaign in the south end?

Mr. CLARK. I don't know.

The CHAIRMAN. Do you know whether he was in your campaign or not; did you ask him to make any solicitation of the Lanskys and the other people operating these clubs?

Mr. CLARK. No; I did not.

The CHAIRMAN. Was he in your campaign?

Mr. CLARK. He was for me; he helped me.

The CHAIRMAN. Did he collect money for you?

Mr. CLARK. I don't know.

The CHAIRMAN. Did you keep any record of who collected money for you?

Mr. CLARK. I guess the campaign expenses filed with the clerk up there would show how much was contributed and who contributed it.

The CHAIRMAN. Wasn't he designated by you to make campaign collections and to look after your campaign, along with your brother, in the south end of the county?

Mr. CLARK. Not by me.

The CHAIRMAN. Was he designated by someone running your campaign?

Mr. CLARK. I don't know.

The CHAIRMAN. Did he do that in your behalf?

Mr. CLARK. I couldn't say; I don't know.

The CHAIRMAN. You do know that he collected money from these people?

Mr. CLARK. No; I don't know that.

The CHAIRMAN. Have you looked into it to find out whether he did or not?

Mr. CLARK. No.

The CHAIRMAN. Sheriff, these clubs are large expensive buildings with attractive furnishings in them where this gambling goes on, are they not? Large substantial buildings. Do you think any person would put an investment in a building like that unless he thought he would be able to operate?

Mr. CLARK. I don't know. There are several big restaurant clubs up there on the highway, and I know that we go in there to eat stuff and I never saw any gambling there. I don't know whether they are gambling or not.

The CHAIRMAN. Who do these people see when they want to open up gambling places, open up these clubs?

Mr. CLARK. I don't know.

The CHAIRMAN. How often does Lansky see you or how often do you see him?

Mr. CLARK. I just see him on the street occasionally.

The CHAIRMAN. Did you talk with him about what sort of operation he has there?

Mr. CLARK. No.

The CHAIRMAN. Can you remember any one time that you ever raided any of these places, that you as sheriff of Broward County ever raided?

Mr. CHANCEY. I would like for the chairman to explain to the witness and to me as his attorney what you mean by a raid.

The CHAIRMAN. Whether he went down and made arrests and padlocked places.

Mr. CHANCEY. The statutes of the State of Florida govern the activities of the sheriff of a county. Now, if you have reference to some statute that he did or did not comply with, that is one thing, but if you have reference to some unauthorized entry, illegal entry, that is

a different thing, and I think we should have the record clear on that.

The CHAIRMAN. I am not talking about raiding them for any purpose except law enforcement, Mr. Chancey, under the statute.

Mr. CHANCEY. There is nothing in the statute that permits the sheriff of Broward County to make a raid except on——

The CHAIRMAN. The statute has been offered in the record to establish the law of gambling in the State of Florida, and we have those statutes before us.

Mr. CHANCEY. All right.

The CHAIRMAN. Are slot machines legal in Broward County or in the State of Florida?

Mr. CLARK. No, sir.

The CHAIRMAN. Are there a lot of slot machines in Broward County?

Mr. CLARK. Not that I know of.

The CHAIRMAN. You have not seen them there?

Mr. CLARK. No.

The CHAIRMAN. You don't know of any slot machines in the county?

Mr. CLARK. I don't.

The CHAIRMAN. Sheriff, haven't you been in the slot machine business yourself?

Mr. CLARK. No.

The CHAIRMAN. Never?

Mr. CLARK. No.

The CHAIRMAN. In the coin machine or amusement machine business?

Mr. CLARK. No. Music boxes and cigarette machines.

The CHAIRMAN. Not slot machines, one-armed bandits?

Mr. CLARK. No.

The CHAIRMAN. Tell us what pieces of property you own, sheriff. You own the home you live in?

Mr. CLARK. Yes. I am interested in a garage.

The CHAIRMAN. Let us get it down here. You own the home that you live in?

Mr. CLARK. Yes.

The CHAIRMAN. Where is that in Broward County?

Mr. CLARK. 828 Southeast Fourth Street.

The CHAIRMAN. Do you own a farm?

Mr. CLARK. Yes.

The CHAIRMAN. Where is that and how large is it?

Mr. CLARK. About 200 acres.

The CHAIRMAN. You said you paid \$25,000 or \$30,000 for it, or something like that.

Mr. CLARK. For the farm?

The CHAIRMAN. Yes.

Mr. CLARK. No, sir. For the farm I paid \$16 an acre.

The CHAIRMAN. You had 200 acres, which is about \$3,200?

Mr. CLARK. Right.

The CHAIRMAN. What else do you have, Sheriff?

Mr. CLARK. I have some scattered lots and land. I am interested in a filling station and I own a garage building.

The CHAIRMAN. You and your brother operate a filling station and garage building together?

Mr. CLARK. Yes.

The CHAIRMAN. Your brother Robert?

Mr. CLARK. Yes.

The CHAIRMAN. That is what you said you paid around \$30,000 for it.

Mr. CLARK. Yes.

The CHAIRMAN. What is the Ribbonwriter Co.?

Mr. CLARK. It is a company that was started to make attachments for typewriters.

The CHAIRMAN. How much investment do you have in that; how much stock did you buy?

Mr. CLARK. I don't know. I would have to check to see how much I did put in there.

The CHAIRMAN. What is your best judgment about it? Do you own half an interest in that company, or how much?

Mr. CLARK. No, sir.

The CHAIRMAN. How much did you pay for your interest in it?

Mr. CLARK. I will have to check on that. I think it was about \$25,000.

The CHAIRMAN. How much was the total business worth when you bought your interest?

Mr. CLARK. I don't know. Some of the stock in there was put in my name, but it went to my brother, Robert.

The CHAIRMAN. That business went out of operation some time ago, I understand.

Mr. CLARK. Yes.

The CHAIRMAN. I think, in fairness to you, Sheriff Clark, to clear up the record, I should tell you that it has been stated that you had an interest in it and that you were a friend of the president, and that the company got an RFC loan, and there was some inference that you used some influence in order to get the loan from the RFC.

Mr. CHANCEY. May I inquire what materiality that has?

The CHAIRMAN. It is material for this reason: I think the sheriff should make some explanation about it as to whether he was trying to use any influence. We just want to get the facts on the matter.

Mr. CHANCEY. That is a legitimate business, and it had a right to get a loan from a Government agency.

The CHAIRMAN. If the sheriff doesn't want to answer that question, all right. I thought, in deference to the sheriff himself, that he might want to make some explanation about it.

Mr. CHANCEY. I think it is immaterial to this inquiry.

The CHAIRMAN. The sheriff stated in the paper that he didn't know anything about it himself, and I just thought that there might be some facts about it as to which he might wish to testify.

Mr. CHANCEY. We would prefer not to discuss that.

The CHAIRMAN. Did you use any official influence to try to get an RFC loan?

Mr. CLARK. I did not.

The CHAIRMAN. Now, sheriff, when we questioned you before we asked you about your property and what you had you said that you had a home and a farm and an interest in a garage and filling station with your brother, and then you were asked about the Ribbonwriter Co., and then you were asked a question about any other property that you owned. Now, sheriff, do you want to make any addition to your previous statement?

Mr. CLARK. There may be some little pieces of property that I own.

The CHAIRMAN. What do you mean by little pieces of property; what kind of property?

Mr. CLARK. Little scattered pieces of land. There may be a few lots that didn't get in there. If the committee wants it, I have a record of all of my property.

The CHAIRMAN. Suppose you tell us what you have in addition to what you told us about the last time.

Mr. CLARK. I own a little piece of acreage there in the edge of Fort Lauderdale.

The CHAIRMAN. Outside of little lots around that you have been talking about, what else?

Mr. CLARK. My brother and I own a little acreage up there in Duval County.

The CHAIRMAN. How big an acreage?

Mr. CLARK. I don't know positively.

The CHAIRMAN. Is it valuable, or how much is it worth?

Mr. CLARK. I don't know what it is worth now. I have a mortgage on it for \$2,500 or \$3,000, or something like that.

The CHAIRMAN. What else, while we are on the subject? Tell us what you and your brother have an interest in in addition to what you have already told the committee.

Mr. CLARK. I have got a little piece of land out in the glades in Broward County. It is out on Road 84 in the county.

The CHAIRMAN. What kind of land is that?

Mr. CLARK. It is just raw muck land.

The CHAIRMAN. What do you think that is worth?

Mr. CLARK. Today I guess it is worth \$30 an acre.

The CHAIRMAN. What other property or business do you own?

Mr. CLARK. That is not what I paid for it.

The CHAIRMAN. You paid less than that for it?

Mr. CLARK. Yes. In fact, I bought it on tax certificates.

The CHAIRMAN. What else, sheriff; anything else?

Mr. CLARK. That is all I can think of. There might possibly be some more.

The CHAIRMAN. If you had any substantial investment in addition to that you would remember, wouldn't you?

Mr. CLARK. We have our homestead place there.

The CHAIRMAN. That is where you live?

Mr. CLARK. No.

The CHAIRMAN. That is your homestead place that you and your brother own?

Mr. CLARK. Me and my brothers; yes.

The CHAIRMAN. How many brothers do you have?

Mr. CLARK. Three.

The CHAIRMAN. That is owned by the three of you?

Mr. CLARK. Yes.

The CHAIRMAN. Anything else?

Mr. CLARK. Not that I can think of right now.

The CHAIRMAN. What you have recited is a little bit more than you said you owned when you appeared before the committee before. Do you own any other substantial pieces of property or businesses in addition to what you have testified to now?

Mr. CLARK. No, sir.

The CHAIRMAN. You have no others?

Mr. CLARK. I am trying to think.

The CHAIRMAN. Think hard.

Mr. CLARK. No other substantial business; no, sir.

The CHAIRMAN. How about small businesses, such as partnership interests or corporations?

Mr. CHANCEY. Senator, do you have something in mind?

The CHAIRMAN. No; I am just trying to get the sheriff to tell what businesses he was in, whether he made money out of it, and what his sources of income were.

How about the Broward Amusement Co.?

Mr. CLARK. That I mentioned a little while ago.

The CHAIRMAN. That was mentioned a while ago?

Mr. CLARK. Yes; about the music machines and cigarette machines.

The CHAIRMAN. Do you own any interest in it? It is not now the Broward Amusement Co. It is now another company, isn't it?

Mr. CLARK. The Broward Novelty Co.

The CHAIRMAN. Why didn't you tell us about it?

Mr. CLARK. I mentioned about the amusement company, with the music machines and the cigarette machines.

The CHAIRMAN. You didn't say anything about that the last time you testified, did you?

(No response.)

The CHAIRMAN. That is a pretty big operation, isn't it?

Mr. CLARK. Yes, sir.

The CHAIRMAN. In fact, that is the principal source of your income?

Mr. CLARK. Yes, sir.

The CHAIRMAN. And it has been over a period of many, many years?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Sheriff, when was the Broward Amusement Co formed?

Mr. CLARK. I don't remember.

The CHAIRMAN. Was it in 1945?

(No response.)

The CHAIRMAN. Wasn't H. J. McLean one of your partners in the Broward Amusement Co.?

Mr. CLARK. No, sir.

The CHAIRMAN. Was he when it was formed in 1945?

(No response.)

The CHAIRMAN. Tell us about it, Sheriff.

Mr. CLARK. I don't remember.

The CHAIRMAN. Was Robert Clark one of the partners in the Broward Amusement Co.?

Mr. CLARK. Bob was.

The CHAIRMAN. And Gordon F. Williams? Was he one of them?

Mr. CLARK. Yes, sir.

The CHAIRMAN. For what purpose was the Broward Amusement Co. formed? What was the business of the Broward Amusement Co.?

Mr. CLARK. Cigarette machines and music machines; music boxes.

The CHAIRMAN. Did you operate any games?

Mr. CLARK. Not that I know of, sir.

The CHAIRMAN. Not that you know of?

Mr. CLARK. No.

The CHAIRMAN. Did you have any slot machines?

Mr. CLARK. Not that I know of.

The CHAIRMAN. Any bolita games?

Mr. CLARK. Not that I know of.

The CHAIRMAN. Did you operate it?

Mr. CLARK. I don't know.

The CHAIRMAN. Who operated the company?

Mr. CLARK. Gordon Williams.

The CHAIRMAN. I believe in the beginning McLean and Williams each got a third and you and your brother Bob divided the other third; is that correct?

Mr. CLARK. I guess so. I didn't run the business.

The CHAIRMAN. Is that a corporation or a partnership?

Mr. CLARK. I don't know whether it is incorporated or a partnership.

The CHAIRMAN. Sheriff, you ought to know that; which it is. Is it a partnership or a corporation?

(No response.)

The CHAIRMAN. Sheriff, in 1945, you got \$12,910.88 net out of this partnership or corporation, didn't you?

Mr. CLARK. I will have to look back at the records to see. I don't know.

The CHAIRMAN. Didn't you examine the records recently to check?

Mr. CLARK. No, sir; I have not.

The CHAIRMAN. Do you have a copy of your income-tax return?

Mr. CLARK. No, sir.

The CHAIRMAN. You wouldn't be surprised if you got \$12,910.88 out of it, would you?

Mr. CLARK. No, sir.

The CHAIRMAN. Do you think that is about right?

Mr. CLARK. It could be. I don't know.

The CHAIRMAN. Did your brother get the same amount?

Mr. CLARK. Yes.

The CHAIRMAN. Anyway, Sheriff, your income-tax return shows that you had bolita sales of \$252,735—tell what that was?

Mr. CLARK. I don't know.

The CHAIRMAN. What is bolita, Sheriff?

Mr. CLARK. I never exactly understood. Bolita is a game that niggers play.

The CHAIRMAN. It comes from Cuba, doesn't it?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Tell us how they play it?

Mr. CLARK. I don't know.

The CHAIRMAN. Do you really mean you don't know how it is played?

Mr. CLARK. No, sir.

The CHAIRMAN. Isn't there something about having 100 balls and they put the balls in a sack and somebody picks 1 ball after shaking the sack around?

Mr. CLARK. I never saw it played. I don't know.

The CHAIRMAN. Now do you think your return here would show bolita sales above \$300,000?

Mr. CHANCEY. Mr. Chairman, would you mind explaining to the witness whether this is his, his corporation's, or his partnership's return?

The CHAIRMAN. It is the partnership's.

Taking the period 1945-46, you said the bolita sales ran \$321,000, and they grossed \$30,000. You don't know anything about that operation?

Mr. CLARK. No, sir.

The CHAIRMAN. Or \$780,000 in 1947? What was this coin-machine operation in the same partnership—sales—and then you have "location"? Were they rented out and the location got so much back or how did that work?

Mr. CLARK. I don't know anything about that. The only connection I had was with the music machines and the cigarette machines.

The CHAIRMAN. For instance, the music machines and the cigarette machines would be placed somewhere and out of the total take the person there would keep a certain amount of it?

Mr. CLARK. I don't know. I didn't operate the business. I don't know.

The CHAIRMAN. Would it surprise you if the sales on the coin machines was in excess of \$84,000, of which the location got \$37,000 and the gross profit was \$47,000. Would that be a good estimate of the size of the business in 1945?

Mr. CLARK. I don't know.

The CHAIRMAN. Who could tell us about these operations?

Mr. CLARK. I think Mr. Williams could tell you.

The CHAIRMAN. When you testified before us on May 27 and we tried to get you to tell us what businesses you had had, you went into some detail about the land and the filling station and the garage. Why didn't you tell us about this very substantial business?

Mr. CLARK. I never thought about it at that time.

The CHAIRMAN. But over a period of years this had been by far your chief source of income; isn't that right? The amount you get out of being sheriff is inconsequential as compared with this big business.

Mr. CLARK. I never looked at the records to see.

The CHAIRMAN. You must know which you get most of the money out of without going into details about it.

If I should give you apparently your share of the income from this enterprise, would you know whether this was about right or not? For the year 1946, \$16,000; 1947, it seems to be \$4,000. That has been corrected since then, hasn't it?

Mr. CLARK. I don't know.

The CHAIRMAN. Sheriff, what is your record of income from these businesses for 1947 and 1948, from all of your operations?

Mr. CLARK. I can't tell. I don't know. I would have to look it up and see.

The CHAIRMAN. Would it be \$35,000, \$40,000, or \$50,000?

Mr. CLARK. I couldn't say that.

The CHAIRMAN. Is playing bolita in violation of the law?

Mr. CLARK. Bolita games?

The CHAIRMAN. The game bolita?

Mr. CLARK. Yes, sir.

The CHAIRMAN. It is a violation?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Do you know whether any of it is carried on in Broward County?

Mr. CLARK. I don't know.

The CHAIRMAN. You haven't seen any of it?

Mr. CLARK. No, sir; I haven't.

The CHAIRMAN. Sheriff, I asked you some time back about people who wanted to open up places like Greenacres and the Colonial Inn, and I refer to the previous testimony which I find in this record here and here is what it was and I will ask you if this is true:

The CHAIRMAN. Suppose one of these fellows wants to set up a place like Greenacres or the Colonial Inn or an operation of that kind, do they come and get in touch with you or one of your representatives to make arrangements about it?

Mr. CLARK. They usually go to the official—they don't make arrangements.

The CHAIRMAN. You say they get some officials?

Mr. CLARK. I mean, the city wants it liberal.

Is that your testimony?

Mr. CLARK. What I meant was leave it up to the city. I don't interfere with the police department in the cities. Unless a complaint comes out of there to me, I don't go around snooping around to see what is going on.

The CHAIRMAN. Do they get some official permit to open up or not? Do they see somebody and make arrangements about opening up?

Mr. CLARK. Not that I know of.

The CHAIRMAN. So you don't know who they get in touch with?

Mr. CLARK. No, sir. I don't know if they get in touch with anybody.

The CHAIRMAN. Except for the last 5 or 6 months, there has been pretty much the same amount of operations of these clubs and reputedly gambling places over a period of 10 or 12 years, or a good many years? That is, it is not any larger amount 1 year much than in another? They have operated right on through, haven't they? Have some of them operated every season?

Mr. CLARK. Some of them are still operating every season. You see the advertisements in the paper that they are open.

Mr. HALLEY. Do you know Harry Sullivan?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Have you ever been in business with Harry Sullivan?

Mr. CLARK. Yes, sir.

Mr. HALLEY. What business?

Mr. CLARK. Garage business.

Mr. HALLEY. Where?

Mr. CLARK. Fort Lauderdale.

Mr. HALLEY. What was the name of the business?

Mr. CLARK. Hudson-Dell Motor Co., I think.

Mr. HALLEY. Who else was in that business?

Mr. CLARK. My brother.

Mr. HALLEY. Which brother?

Mr. CLARK. Bob.

Mr. HALLEY. How much money did you and your brother put into that business?

Mr. CLARK. I don't know. I would have to look at the records and see.

Mr. HALLEY. Could it have been as much as \$35,000?

Mr. CLARK. I expect it was somewhere around that.

Mr. HALLEY. Where did you get all that money?

Mr. CLARK. Different sources; savings.

Mr. HALLEY. Savings?

Mr. CLARK. Yes, sir.

Mr. HALLEY. You save \$5 and \$10 bills, or did you collect them?

Mr. CLARK. I saved money.

Mr. HALLEY. Well, if Harry Sullivan had stated that when bills came in for construction work, he would go over to your office and pick up cash in \$5 and \$10 bills, would that be true?

Mr. CLARK. Yes, sir; I expect it is.

Mr. HALLEY. So you put a great deal of your \$35,000 in the form of \$5 and \$10 bills?

Mr. CLARK. I didn't put all the \$35,000 in.

Mr. HALLEY. Who did?

Mr. CLARK. My brother and I did, together.

Mr. HALLEY. How did he get his part of the \$35,000?

Mr. CLARK. I guess he made it on different investments.

Mr. HALLEY. What is his business?

Mr. CLARK. I don't know what all businesses he is in. He has different investments.

Mr. HALLEY. For instance? How did he get to be a man of substance?

Mr. CLARK. I know he bought some property and sold it and made some investments and made a profit.

Mr. HALLEY. Do you and your brother have any businesses that you haven't told us about yet?

Mr. CLARK. No, sir.

Mr. HALLEY. Who owns the Trammell Motors?

Mr. CLARK. I don't know.

Mr. HALLEY. Did you ever hear of Trammell Motors?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Do you have any interest in it?

Mr. CLARK. No.

Mr. HALLEY. Does your brother?

Mr. CLARK. Not that I know of.

Mr. HALLEY. Who owns the Lincoln-Mercury shop?

Mr. CLARK. That is the garage we own.

Mr. HALLEY. That is the garage you own?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Is that the same garage as Hudson-Dell?

Mr. CLARK. Yes.

Mr. HALLEY. You have the Lincoln-Mercury and Hudson in the same garage?

Mr. CLARK. No; we gave up the Hudson agency, and we leased the garage to Lincoln-Mercury.

Mr. HALLEY. Where is that located?

Mr. CLARK. On Federal Highway.

Mr. HALLEY. Is that the same place where you had the Hudson-Dell agency?

Mr. CLARK. Yes.

Mr. HALLEY. Is that the one you paid \$35,000 for?

Mr. CLARK. I couldn't say exactly what it did cost.

Mr. HALLEY. Are you familiar with the real-estate situation in the northeast section of Fort Lauderdale?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Did you ever go into any housing construction in that area?

Mr. CLARK. No, sir; I didn't.

Mr. HALLEY. Did you ever know anybody who did, who built two blocks of houses?

Mr. CLARK. I don't know who they are in northeast.

Mr. HALLEY. You know several people who built houses?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Were you familiar with some people who built two blocks of houses in the northeast section right after you finished with the Ribbonwriter transaction?

Mr. CLARK. I do not.

Mr. HALLEY. Didn't you put some money in another name for building construction in northeast?

Mr. CLARK. I did not.

Mr. HALLEY. You and your brother?

Mr. CLARK. No, sir; I did not.

Mr. HALLEY. Did your brother?

Mr. CLARK. I couldn't say.

Mr. HALLEY. I am referring to some houses near the park.

Mr. CLARK. I know I didn't.

Mr. HALLEY. Do you know whether your brother did?

Mr. CLARK. I couldn't say.

Mr. HALLEY. Not under your own name?

Mr. CLARK. Not under my name or anybody else's name.

Mr. HALLEY. You are sure of that?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Will you stand on that?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Now, have you finally told the committee all of your business operations?

Mr. CLARK. Maybe I would buy a car and sell it; little things like that. Maybe I would pick up different items here and there and sell them and make a little profit on them.

Mr. HALLEY. Did you ever get campaign contributions from any of these gamblers?

Mr. CLARK. Not personally; no, sir.

Mr. HALLEY. Who did get them for you from the gamblers?

Mr. CLARK. I don't know.

Mr. HALLEY. Didn't Claude Litteral collect for you?

Mr. CLARK. Not to my knowledge.

Mr. HALLEY. Didn't he?

Mr. CLARK. Never gave it to me.

Mr. HALLEY. Did Lansky collect for you?

Mr. CLARK. Never gave me any.

Mr. HALLEY. Never gave you any?

Mr. CLARK. No, sir.

Mr. HALLEY. Mr. Clark, was Claude Litteral a partner in the Plantation which later became the Club Boheme?

Mr. CLARK. I don't know.

Mr. HALLEY. You know he was down there and operating it or had part of the operation, didn't you?

The CHAIRMAN. He was at the Plantation when he was operating at the Plantation?

Mr. CLARK. I don't know. I believe he did.

The CHAIRMAN. You think he did?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Is he the same man that has been referred to as helping you in your campaign? Is that the same Claude Litteral. Did he help out Herbert L. Vaughan? Do you know Mr. Vaughan?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Didn't they operate the Plantation for quite a while?

Mr. CLARK. Yes, I think they did; yes.

The CHAIRMAN. Didn't they sell it out to somebody else or in some way the management changed and Joe Doto or Joe Adonis came into the Club Boheme?

Mr. CLARK. I don't know.

The CHAIRMAN. You know Joe Adonis, don't you?

Mr. CLARK. No, sir.

The CHAIRMAN. Didn't you know that Joe Adonis was in that operation a while?

Mr. CLARK. No; I did not.

The CHAIRMAN. When did you ever hear of Joe Doto or Joe Adonis?

Mr. CLARK. I heard his name mentioned in the newspapers.

The CHAIRMAN. He never conducted any operation in Broward County?

Mr. CLARK. No, sir.

The CHAIRMAN. There is one thing I intended to ask you by way of income. What is this "special policing"? What is this special policing that you do?

Mr. CLARK. We furnished special police for different occasions.

The CHAIRMAN. How do you get any income out of that?

Mr. CLARK. They pay us.

The CHAIRMAN. They pay you \$2,000 a year?

Mr. CLARK. Something like that.

The CHAIRMAN. Who does that?

Mr. CLARK. Different people who we police for.

The CHAIRMAN. How about the Club Boheme or Greenacres? Do you furnish police there?

Mr. CLARK. No, sir.

The CHAIRMAN. That is not part of the special policing?

Mr. CLARK. No, sir.

The CHAIRMAN. How much have you averaged on special policing a year?

Mr. CLARK. I couldn't say.

The CHAIRMAN. Would it be around \$2,000 a year?

Mr. CLARK. I expect so.

The CHAIRMAN. Is that some of the large estates that pay additional amounts, or can you specify?

Mr. CLARK. It is the estates and stuff like that.

The CHAIRMAN. What do you do for that \$2,000 a year? Do you get men up and send them around?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Who pays them?

Mr. CLARK. The people do.

The CHAIRMAN. The people do?

Mr. CLARK. Yes, sir.

The CHAIRMAN. And they pay you something also for getting them up?

Mr. CLARK. Yes.

The CHAIRMAN. Are they people that are in Broward County?

Mr. CLARK. Yes, sir.

The CHAIRMAN. The testimony shows fairly well that these bankrolls that these places have—do you know what the bankroll is that they keep all during the season and divide up? That is not usually put in the bank, but you have a special armored police car they keep it in overnight and get it out the next day. Do you furnish any policing for these special armored trucks?

Mr. CLARK. I deputize the men that run the armored trucks.

The CHAIRMAN. You deputize them. Who pays their salary?

Mr. CLARK. The armored truck company does.

The CHAIRMAN. Who owns the armored truck service?

Mr. CLARK. Harry Gross.

The CHAIRMAN. Do you have an interest in it?

Mr. CLARK. No, sir.

The CHAIRMAN. Does your brother?

Mr. CLARK. I don't know if he does now or not.

The CHAIRMAN. He did not have an interest in it for quite a while?

Mr. CLARK. I think he had an interest one time.

The CHAIRMAN. Where is that armored truck company?

Mr. CLARK. Fort Lauderdale.

The CHAIRMAN. Didn't he operate it for quite a while?

Mr. CLARK. I don't know.

The CHAIRMAN. Wasn't he the chief operator?

Mr. CLARK. I don't know. I don't think so.

The CHAIRMAN. Anyway, he was interested?

Mr. CLARK. Yes, sir.

The CHAIRMAN. How many of these armored trucks are there?

Mr. CLARK. I couldn't say.

The CHAIRMAN. When these people come to you and get deputized somebody would have to ask you to deputize those people to operate those trucks?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Who would ask you to deputize them?

Mr. CLARK. Harry Gross.

The CHAIRMAN. Do you know what they were going to be used for?

Mr. CLARK. He was operating the armored trucks.

The CHAIRMAN. Do you know what the armored truck was for? Fort Lauderdale is a lovely town, but it has good banks up there and people don't just use armored trucks. Do you know what these particular armored trucks were to be used for?

Mr. CLARK. Hauling money.

The CHAIRMAN. Hauling money from where?

Mr. CLARK. From the bank and different places of business.

The CHAIRMAN. Do you know they were going to be used to keep the money of these night clubs and gambling places overnight in these armored trucks?

Mr. CLARK. I never asked where they were hauling to.

The CHAIRMAN. You never inquired what they were going to use them for?

Mr. CLARK. No, sir.

The CHAIRMAN. All right.

Mr. HALLEY. Sheriff, did I hear you right a while ago when you said that the gamblers did not contribute to your campaign?

Mr. CLARK. I said I didn't know.

Mr. HALLEY. You knew the last time you testified here, didn't you?

Mr. CLARK. I said they contributed the workers, not to me.

Mr. HALLEY. It was your campaign we were talking about.

Mr. CLARK. Yes.

Mr. HALLEY. What did you testify to the last time?

Mr. CLARK. They told me that they were going to help me in the south end.

Mr. HALLEY. Who told you that they were going to help you out?

Mr. CLARK. Mr. Lansky.

Mr. HALLEY. Mr. Lansky told you he was going to help you out?

Mr. CLARK. He was.

Mr. HALLEY. Mr. Lansky is a gambler?

Mr. CLARK. Yes.

Mr. HALLEY. He runs Greenacres?

Mr. CLARK. No.

Mr. HALLEY. Does he run Club Boheme?

Mr. CLARK. Yes, sir.

Mr. HALLEY. And Club Boheme is a gambling joint, isn't it?

Mr. CLARK. Yes; I guess so.

Mr. HALLEY. Let's not play cat and mouse. You know it is a gambling place, don't you?

Mr. CLARK. No.

Mr. HALLEY. You admitted the last time you went in and raided the place.

The CHAIRMAN. I think he said on one occasion he did go down there.

Mr. CHANCEY. And he said there was no gambling going on there.

Mr. HALLEY. You testified here sometime back, did you?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Do you remember that after you left the hearing room you asked for permission to come on back?

Mr. CLARK. Yes, sir.

Mr. HALLEY. And that was after you testified that you didn't know there was any gambling going on and hadn't been in these places when there was gambling going on?

Mr. CLARK. That is right.

Mr. HALLEY. And then you left and then you said you would like to come back and change your statement?

Mr. CLARK. I said we made a raid on one of those places. I happened to remember it. I happened to be in on the raid.

Mr. HALLEY. Which one did you raid?

Mr. CLARK. Greenacres.

Mr. HALLEY. Did you find some gambling?

Mr. CLARK. Yes, sir.

Mr. HALLEY. And you closed them up?

Mr. CLARK. We laid a charge against them.

Mr. HALLEY. And they were closed?

Mr. CLARK. Yes, sir.

Mr. HALLEY. You knew there was gambling there, didn't you?

Mr. CLARK. When we raided it, we found gambling equipment there.

Mr. HALLEY. Did you ever go back to find out if they were still gambling after they opened up again?

Mr. CLARK. I never had any complaints about them. I never had any affidavits or warrants to go back.

Mr. HALLEY. You never tried to walk in the door and look around?

Mr. CLARK. No, sir.

Mr. HALLEY. You have heard testimony, haven't you, that anybody in the State would walk in the front door and walk into the gambling rooms and gamble? You didn't have to break any doors down to gamble in Greenacres or in Club Boheme?

Mr. CLARK. I don't know. I wasn't there.

Mr. HALLEY. Do you read the newspapers?

Mr. CLARK. Yes; I read the newspapers some.

Mr. HALLEY. Doesn't it say in the newspapers that anybody can walk into those places and gamble, as long as you have the money to gamble with?

Mr. CLARK. I can't believe it when they say all those places. If there was and if they come before the court and got a search warrant and made an affidavit to me to that effect, we would have to raid it.

Mr. HALLEY. Do people have to go to court for you to do your duty?

Mr. CHANCEY. Mr. Chairman, I object to the manner in which counsel is trying to—

Mr. HALLEY. If you have a specific objection to a specific question, raise it. Please don't heckle.

Mr. CHANCEY. I have a right to appear here as attorney for this witness and I have a duty here to perform, and I want to object to the question that was asked and protect against an answer to it by the witness.

The CHAIRMAN. Read the question, please.

The REPORTER (reading):

Do people have to go to court for you to do your duty?

The CHAIRMAN. He can just ask whether or not you do your duty without having to go to court.

Mr. HALLEY. You don't need a warrant to walk into any premises that are open to the public, do you?

Mr. CLARK. You need a warrant if you want to go and raid the place.

Mr. HALLEY. You don't have to raid a place to walk in and see gambling, where the doors are wide open and if it is a public establishment, do you? You are the sheriff. You know the law. You have as much right as any other citizen to walk into these gambling houses that has its doors wide open to the public.

Mr. CLARK. It wouldn't do me any good to walk down there.

Mr. HALLEY. Why not?

Mr. CLARK. Because they would close it if they saw me coming.

Mr. HALLEY. You would be in before they could get it closed, wouldn't you? You could ride up to that place in an automobile and be upstairs before they could do much about it?

Mr. CLARK. I don't think so.

Mr. HALLEY. Did you ever try it?

(No response.)

The CHAIRMAN. Sheriff, you said in the record that you didn't know the exact amount of bolita sales during the period it had been operating?

Mr. CLARK. I don't know anything about the bolita sales.

The CHAIRMAN. You had no interest in the work whatever in the Broward Amusement Co.?

Mr. CLARK. The only thing I know of is the music and the cigarette machines.

The CHAIRMAN. Sheriff, don't you know that they paid Federal tax on 100 slot machines, 25 pinball machines, 10 music machines?

Mr. CLARK. No; I do not.

The CHAIRMAN. Well, you are a partner. Don't you discuss these matters with them?

Mr. CLARK. The only thing I had an interest in was the music machines and the cigarette machines.

The CHAIRMAN. It is all operated by the same partnership, the Broward Amusement Co. It is all put in together in one operation, whatever they do—you and your brother Robert and Mr. Williams; isn't that the company or partnership?

Mr. CLARK. That is the partnership in the amusements.

The CHAIRMAN. Whatever the business is, that is the partnership; is that correct?

Mr. CLARK. Yes, sir.

The CHAIRMAN. You wouldn't know whether it was a \$200,000 business or how much it was?

Mr. CLARK. No, sir.

The CHAIRMAN. All right, Sheriff. That is all.

Do you want to ask him any questions, Mr. Chancey?

Mr. CHANCEY. Mr. Chairman, I would like to ask him one or two questions.

Have you from time to time sought my advice to you as an attorney as to your rights and duties of your office as sheriff of Broward County with respect to gambling and the suppression of gambling in that county?

Mr. CLARK. Yes, sir.

Mr. CHANCEY. Have I given you advice as an attorney in that regard?

Mr. CLARK. Yes, sir; you have.

Mr. CHANCEY. Have you had occasion recently to ask me to reduce that advice that I had given you to writing?

Mr. CLARK. Yes; I have.

Mr. CHANCEY. Did I do that?

Mr. CLARK. Yes.

Mr. CHANCEY. Do you have that writing with you?

Mr. CLARK. Yes, sir; I have.

Mr. CHANCEY. I would like to ask the permission of the chairman to read a letter that I recently wrote to the sheriff with reference to his duties as sheriff of the county.

The CHAIRMAN. You may either read it, file it, or summarize it, whichever you wish. How long is the letter?

Mr. CHANCEY. It has a couple of pages.

The CHAIRMAN. Then you can read it.
Mr. CHANCEY. Yes, sir.

JULY 11, 1950.

HON. WALTER R. CLARK,
Sheriff of Broward County, Fort Lauderdale, Fla.

DEAR SHERIFF CLARK: At your request I am herewith confirming the advice which I have heretofore from time to time given to you as sheriff of Broward County pertaining to your official duties and obligations with reference to gambling carried on in Broward County.

Chapter 849 of the Florida Statutes Annotated prohibits gambling. Section 849.01 of this statute provides that whoever keeps or maintains a gaming table or room or gambling implements or apparatus, or house, booth, tent, shelter, or other place for the purpose of gaming and gambling shall be guilty of a felony.

Section 849.20 provides that any room, house, building, or other structure in which gambling machines, devices, or paraphernalia are used or operated in gaming or gambling is declared to be a common nuisance. Section 849.21 provides that an action to enjoin any such nuisance may be brought by any person in the courts of equity in this State.

There is nothing contained in chapter 849 which could possibly be construed to place any obligation upon the sheriff of the county to prohibit or suppress gaming or gambling.

Section 144.01 of the statutes provides that: "The sheriffs, in their respective counties, shall execute all writs, processes, and warrants directed to them, and they shall be conservators of the peace; and they shall with force and stronghand when necessary, suppress all tumults, riots, and unlawful assemblies, and apprehend, without warrant, any person who is in the disturbance of the peace, and carry him before the proper judicial officer, that further proceedings may be had against him according to law."

Section 790.01 of the statutes makes the carrying of concealed weapons by any person other than sheriffs, deputy sheriffs, city or town marshals, policemen, constables, or United States marshals, or their deputies a misdemeanor, and section 790.02 permits "any officer authorized to make arrests" to arrest "without warrant" any persons carrying concealed weapons in violation of section 790.01.

Section 901.15 provides that a peace officer without a warrant may arrest a person:

"(1) When a person to be arrested has committed a felony or misdemeanor in his presence. In the case of such arrest for a misdemeanor the arrest shall be made immediately or on fresh pursuit.

"(2) When a felony has in fact been committed, and he has reasonable ground to believe that the person to be arrested has committed it.

"(3) When he has reasonable ground to believe that a felony has been or is being committed and reasonable ground to believe that the person to be arrested has committed or is committing it.

"(4) When a warrant has been issued charging any criminal offense and has been placed in the hands of the peace officer for execution."

It is to be noted that the above statute provides that a peace officer may without warrant make an arrest of any person under the circumstances stated in paragraphs (1) and (3) of said statute. I do not believe that this statute makes it compulsory for the sheriff to arrest without warrant a person who has committed a felony or misdemeanor, particularly if the sheriff does not know of his own knowledge and is not able to produce convincing proof that such felony or misdemeanor has been actually committed.

Section 823.05 of the statutes provides that whoever shall erect, establish, continue, or maintain any place or building where games of chance are engaged in violation of law, or any place where any law of the State of Florida is violated, shall be deemed guilty of maintaining a nuisance, and the building or place and the furniture, fixtures, and contents therein is declared a nuisance. All such places or persons shall be abated or enjoined as provided in sections 64.11 to 64.15.

Section 64.11 provides that whenever any nuisance as defined in section 823.05 is kept, maintained or exists, "The States attorney, county solicitor, county prosecutor or any citizen of the county through any attorney he may select may maintain his action by bill in chancery in the proper court in the name of the State of Florida upon the relation of such attorneys or citizens to enjoin said nuisance, the person or persons conducting or maintaining the same and

the owner or agent of the building or ground upon which said nuisance exists.

Section 548.01 of the statute makes it a crime for any persons to engage in certain pugilistic exhibitions, and section 548.02 provides that the sheriff or his deputies, "where there is cause to believe that such an encounter or contest is about to occur, shall enter any house or enclosure, or any other place, and arrest, without warrant, any party engaged or about to engage in such contest."

Section 856.03 provides that any sheriff, constable, policeman, or other lawful officer may arrest any vagrant described in 856.02 without a warrant in case delay in procuring one would probably enable such alleged vagrant to escape.

Chapter 933 of the statutes provides for the issuance of search warrants. Section 933.01 provides that a search warrant authorized by law may be issued by any judge, including the judge of the circuit court of this State or any court of record, or criminal court of record, or county judge, justice of the peace, or committing magistrate having jurisdiction within the district where the place, vehicle or thing to be searched may be. Section 933.02 provides that "upon proper affidavits being made a search warrant may be issued under the provisions of this chapter * * * when property which have been used * * * in connection with gambling, gambling implements, and appliances."

Sections 933.04, 933.05, and 933.06 provide respectively as follows:

"933.04. Affidavits.—The right of the people to be secure in their persons, houses, papers, and effects against unreasonable seizures and searches shall not be violated and no search warrant shall be issued except upon probable cause, supported by oath or affirmation particularly describing the place to be searched and the person and thing to be served."

"933.05. Issuance in blank prohibited: A search warrant cannot be issued except upon probable cause supported by affidavit or affidavits, naming or describing the person, place, or thing to be searched, and particularly describing the property or thing to be seized; no such warrant shall be issued in blank and any such warrant shall be returned within 10 days after issuance thereof."

"933.06. Sworn application required before issuance: The judge or magistrate must, before issuing the said warrant, having the application of some person for said warrant duly sworn to and subscribed, and may receive further testimony from witnesses or supporting affidavits, or depositions in writing, to support the application. The affidavit and further proof, if same be had or required, must set forth the facts tending to establish the grounds of the application or probable cause for believing that they exist."

Sections 901.01 and 901.02 provide, respectively:

"901.01. Judicial officers to be committing magistrates: All judicial officers of this State shall be conservators of the peace and committing magistrates, and may issue warrants against persons charged on oath with violating the criminal laws of the State, and may commit offenders to jail or recognize them to appear before the proper court at the next ensuing term thereof to answer the charge, or may discharge them from custody, according to the circumstances of the case, and may require sureties of the peace when the same has been violated or threatened. When a complaint is made to a magistrate that an offense has been committed within his jurisdiction, he shall examine any witnesses he may produce."

"901.02. When warrant of arrest to be issued: A warrant may be issued for the arrest of the person complained against if the magistrate from the examination of the complainant and the other witnesses, if any, has reasonable ground to believe that any offense was committed within his jurisdiction and that the person against whom the complaint was made committed it; provided, however, that a warrant may be issued by said magistrate for the arrest of the person complained against upon presentation to him of affidavits sworn to by the complaining witness or witnesses before the prosecuting attorney, provided such prosecuting attorney is authorized to administer oaths as a notary public or otherwise."

Article 5 of section 15 of the Florida constitution provides that the duties of a "sheriff shall be prescribed by law."

There is no statute which requires or permits a sheriff without a search warrant duly and properly issued in accordance with the provisions of the statutes above quoted to go from door to door or place to place throughout the county and enter private property without permission of the owner for the purpose of searching the premises to determine whether the statutes prohibiting gambling are being violated or whether any other criminal statute is being violated.

It seems perfectly clear to me that the only duty resting upon the sheriff of the county is to promptly and efficiently execute warrants for the arrest of persons charged with gambling issued by the courts upon affidavits made therefor by witnesses to the facts, and it seems equally clear from the statutes above quoted that the only circumstances under which a sheriff can search private property for the purpose of determining whether or not the gambling laws are being violated is when the sheriff holds in his possession a search warrant duly issued by the courts pursuant to the provisions of the above-quoted statutes.

Prior to September 10, 1934, there did exist a statute (sec. 7664, CGL 1927) which provides that "if any sheriff, city marshal, or chief of police has good reason to believe that gambling is being carried on in any house or other place, he may enter the same forcibly, if necessary, and without written warrant, and may arrest any person violating the provisions of this article." By a decision rendered on December 10, 1934, in the case of *Thurman v. the State of Florida* (156 S. 484), the Supreme Court of Florida declared this statute to be unconstitutional as in violation of the declaration of rights.

It necessarily follows that until there is a change made in section 22 of the declaration of rights in the Constitution of the State of Florida, you as sheriff are only entitled to enter upon private property for the purpose of searching for the conduct on said property of gambling or the maintenance on said property of gambling machines, devices, or paraphernalia operated in gaming and gambling when there is issued by some court of competent jurisdiction a warrant directed to you to search such premises, which warrant is issued pursuant to sections 933.04, 933.05, and 933.06 of the Florida statutes above quoted.

Sincerely yours,

C. L. CHANCEY.

The CHAIRMAN. We are glad to have your letter, and we will be glad to file this letter, if you so desire.

Mr. CHANCEY. Yes, sir.

The CHAIRMAN. Could I ask you just one question about this letter?

Mr. CHANCEY. Yes, sir.

The CHAIRMAN. I take it, then, as to these places where the enforcement officers can go, if they see the law being violated they can do something about it?

Mr. CHANCEY. If he sees it.

The CHAIRMAN. And there is some duty on him to try to see it, isn't there?

Mr. CHANCEY. Yes, sir.

The CHAIRMAN. You read from the statutes or from the constitution that he is the chief enforcement officer?

Mr. CHANCEY. But there is no authority for him to see it illegally. If he wants to see it, there are methods that are prescribed by which he can obtain a warrant, or the party knowing the facts can obtain a warrant for him to go and see.

The CHAIRMAN. But it is a part of his duty to carry on a reasonable prudence and reasonable effort to try to see what laws, if any, are being violated that he can see?

Mr. CHANCEY. I don't say that the sheriff is obligated to sneak all his life. He is not obligated or required by any statute, in my opinion, or any rule of the court or otherwise, to devote his time searching out places where gambling may be carried on, where there are lots of more important crimes to be inquired into.

The CHAIRMAN. Mr. Chancey, are you the attorney for the sheriff's office?

Mr. CHANCEY. I am attorney for—you might say I am attorney for the sheriff's office. I represent the sheriff.

The CHAIRMAN. Do you keep the tax books and records of the Broward Novelty Co.?

Mr. CHANCEY. No, sir; I know no more about that than—apparently you know a lot more about it than I do. I know nothing. I know Mr. Gordon does, and I know he runs the Broward Novelty Co.

The CHAIRMAN. Who is that?

Mr. CHANCEY. Mr. Gordon. I know him. I represent him.

The CHAIRMAN. Do you represent the novelty company?

Mr. CHANCEY. No, sir; I said "Mr. Gordon." I meant to say "Mr. Williams."

Mr. HALLEY. Just to get the record perfectly straight, there is a Broward Novelty Co.; is that right?

Mr. CLARK. Yes, sir.

Mr. HALLEY. It was formerly the Broward Amusement Co.; is that right?

Mr. CLARK. I don't know.

Mr. HALLEY. You do know there is a Broward Novelty Co.; don't you?

Mr. CLARK. Yes, sir.

Mr. HALLEY. And you do know that you are a partner in it?

Mr. CLARK. Partner in the—

Mr. HALLEY. Broward Novelty Co.?

Mr. CLARK. That operates the music machines and the cigarette machines.

Mr. HALLEY. Let's put it this way. There is a company in which three men are partners; is that right? One of them is Williams; is that right?

Mr. CLARK. Yes, sir.

Mr. HALLEY. And one is your brother Robert?

Mr. CLARK. Yes, sir.

Mr. HALLEY. And the other is yourself?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Was there formerly a partner named H. J. McLean?

Mr. CLARK. I don't know.

Mr. HALLEY. In any event, at the present time there are three men in the partnership—Williams, Robert Clark, and yourself?

Mr. CLARK. Yes, sir.

Mr. HALLEY. And they do business under the name of the Broward Novelty Co.?

Mr. CLARK. Yes, sir.

Mr. HALLEY. And you say that the business they do is what?

Mr. CLARK. To my knowledge, it is cigarette machines and music machines.

Mr. HALLEY. Now, if as a matter of fact that company paid a Federal license tax of \$3,086.34 on machines including 100 slot machines and 25 pinball machines—and I will say for the record that that is the fact—did you have knowledge of it?

Mr. CLARK. No; I did not.

Mr. HALLEY. Do you deny that that would be the fact? If that tax was paid by the company?

Mr. CHANCEY. Do you mean if they did pay it?

Mr. HALLEY. Yes.

Mr. CLARK. I haven't any right to deny it because I don't know.

Mr. HALLEY. Apparently I made a mistake on the number of machines. It is not 100 slot machines, but it includes some slot machines; does it not?

Mr. CLARK. I don't know.

Mr. HALLEY. You don't know?

Mr. CLARK. No, sir.

Mr. HALLEY. If a license tax was paid, you wouldn't deny that that did happen—would you?—whether or not you had knowledge of it?

Mr. CLARK. I don't know whether they did or not. I don't have any knowledge of it.

Mr. HALLEY. It is possible that Broward Amusement Co., or Broward Novelty Co. might have been operating these machines without your knowledge; is it?

Mr. CLARK. Yes, sir.

Mr. HALLEY. Is it possible that the Broward Amusement Co. or the Broward Novelty Co. could have been operating bolita without your knowledge?

Mr. CLARK. It is without my knowledge.

Mr. HALLEY. You admit that they did operate it?

Mr. CLARK. No, sir.

Mr. HALLEY. If they reported in their tax return that they operated it, would you deny that that was the fact?

Mr. CLARK. I couldn't deny the fact because I don't know.

Mr. HALLEY. You wouldn't contest the tax return?

Mr. CLARK. No, sir.

Mr. HALLEY. Who is L. J. Matson?

Mr. CLARK. I don't know.

Mr. HALLEY. Did you ever hear of him?

Mr. CLARK. Not that I know of.

Mr. HALLEY. Did you ever hear of that name before?

Mr. CLARK. No, sir; I don't believe so. I don't know who it is.

Mr. HALLEY. You never heard the name "L. J. Matson" before?

Mr. CLARK. I don't know if I ever heard of it before, to my knowledge.

The CHAIRMAN. Let's get this straight about the amusement company. They started off in 1945; is that about right?

Mr. CLARK. I don't know what year it was.

The CHAIRMAN. About 5 years ago or something like that. You had it in your 1945 tax return. Would it be substantially correct that your income produced from that venture in 1945 was \$12,910.88? Do you think that would be substantially correct?

Mr. CLARK. It might be?

The CHAIRMAN. And that the Broward Amusement Co. return was \$20,607.08 in 1946?

Mr. CLARK. I will have to look on the tax returns and see.

The CHAIRMAN. Would you think that that would be substantially correct?

Mr. CLARK. It could be; yes, sir.

The CHAIRMAN. And \$18,000 in 1947; do you think that is about correct?

Mr. CLARK. I think so.

The CHAIRMAN. I don't have the reference for the other years. You wouldn't question the amount of business that is reported in the returns to have been done by this company during these years, would you; this partnership?

Mr. CLARK. I couldn't say, because I don't know.

The CHAIRMAN. Who fixed up the income-tax return?

Mr. CLARK. Mr. Coleman fixed up my income-tax returns.

The CHAIRMAN. Did he also fix up the income-tax return for the Broward Novelty Co.?

Mr. CLARK. I don't know if he did or not.

The CHAIRMAN. The amount of the partners' share and then the amount shown on your return indicate they might have been fixed up by the same person; would that be true?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Is this company still in operation?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Mr. Williams is still the manager of it?

Mr. CLARK. Yes, sir.

The CHAIRMAN. And it is still a three-way partnership among the three of you?

Mr. CLARK. Yes, sir.

The CHAIRMAN. Does it have an office?

Mr. CLARK. Yes, sir; they have an office.

The CHAIRMAN. Where is the office?

Mr. CLARK. I don't know the address, but it is out on Broward Boulevard.

The CHAIRMAN. Did you ever go out there?

Mr. CLARK. Yes, sir; I went out there.

The CHAIRMAN. You go out there and see about the business sometimes; don't you?

Mr. CLARK. I don't attend to the business; no, sir.

The CHAIRMAN. When do you have partnership meetings?

Mr. CLARK. Never had any.

The CHAIRMAN. Never had a single partnership meeting?

Mr. CLARK. No, sir.

The CHAIRMAN. Don't you meet with them on the street and talk with them about the business? I mean, about how much money you are making? It seems to be a pretty big business.

Mr. CLARK. I ask them how it's going.

The CHAIRMAN. What do they tell you about how it is going?

Mr. CLARK. Pretty good.

The CHAIRMAN. It is doing well or not so well or whatever it may be?

Mr. CLARK. Yes, sir.

The CHAIRMAN. All right. I believe that is all.

Mr. CHANCEY. Are we excused now?

The CHAIRMAN. You are excused. Thank you for appearing, Mr. Chancey.

Mr. CHANCEY. Thank you, sir.

FURTHER TESTIMONY OF ABE ALLENBERG, MIAMI BEACH, FLA., ACCOMPANIED BY LOUIS M. JEPEWAY, ATTORNEY

The CHAIRMAN. Do you solemnly swear that the testimony you will give the committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Let the record show that Louis M. Jepeway appears as counsel for Mr. Allenberg.

Mr. HALLEY. What is your business, Mr. Allenberg?

Mr. ALLENBERG. Hotel manager.

Mr. HALLEY. Mr. Allenberg, some years ago you came to Miami as a representative of Frank Erickson; is that right?

Mr. ALLENBERG. That is correct.

Mr. HALLEY. Had you represented Frank Erickson in New York prior to that?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. As a lawyer?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. When did you first come to Miami?

Mr. ALLENBERG. 1935.

Mr. HALLEY. Might I say in passing that these are matters which you have previously testified to this committee.

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Will you go ahead and start from 1935 and state to the committee the circumstances under which you first came to Miami and what you did and go as far as you can tell with reference to that and in chronological order.

Mr. ALLENBERG. In 1935 I came here representing Erickson. There was a mortgage to be placed on Tropical Park race track because of certain obligations that the track had, and they owed merchants and they owed the businessmen of the area considerable money. They owed the State some money, and Erickson put up the money to pay off all of these obligations and to pay the State, and it was done and on a 100-percent basis. There was no settlement with creditors. Everybody was paid up in full. He received back a mortgage from the race track and he received 20 percent of the stock.

Mr. HALLEY. How much money did Erickson invest?

Mr. ALLENBERG. \$250,000, about.

Mr. HALLEY. And for that did he get a controlling interest in the track?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. He controlled the track; didn't he?

Mr. ALLENBERG. He had bonds for the extent of his loan to the track.

Mr. HALLEY. He was given control of the track?

Mr. ALLENBERG. I was the one that went in there.

Mr. HALLEY. And you ran it?

Mr. ALLENBERG. I ran it.

Mr. HALLEY. You were the comptroller?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. How long did you run and control Tropical Park track?

Mr. ALLENBERG. Until 1941.

Mr. HALLEY. Did Erickson then sell his interest?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. To whom was that interest sold?

Mr. ALLENBERG. To a group of men headed by H. L. Straus, a man by the name of Munn, and A. C. Schwartz. It was a group.

Mr. HALLEY. John Patton was in that group, wasn't he?

Mr. ALLENBERG. That is to whom it was sold. He was one of the original stockholders. He sold out.

Mr. HALLEY. He sold out.

Mr. ALLENBERG. At the sale to Straus and the others.

Mr. HALLEY. He and Erickson sold out?

Mr. ALLENBERG. Everybody sold out. All the stockholders sold their stock.

Mr. HALLEY. And you handled that transaction?

Mr. ALLENBERG. I wasn't the attorney for them at that time.

Mr. HALLEY. There were certain commissions due and payable?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. That was in your name?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Were you on a salary basis at Tropical Park?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. What was your salary?

Mr. ALLENBERG. \$15,000.

Mr. HALLEY. Did you have any other income from Tropical Park?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. Did you have any ownership or beneficial interest in Tropical Park?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. Or in any of the Tropical Park transactions?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. We mentioned some commissions some time ago. I believe it was a total of \$80,000?

Mr. ALLENBERG. That was on the sale of the track. I had nothing to do with the track myself.

Mr. HALLEY. Did you have any personal interest or a half interest in the \$80,000.

Mr. ALLENBERG. No, sir.

Mr. HALLEY. Who did?

Mr. ALLENBERG. Erickson and John Patton.

Mr. HALLEY. That is the same Patton who is associated with William Johnston?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Did you have any other income from Frank Erickson?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. In the various dog tracks; is that right?

Mr. ALLENBERG. That is correct.

Mr. HALLEY. When you left Tropical, what did you do next?

Mr. ALLENBERG. I went into the hotel business. I went into the Wofford Hotel.

Mr. HALLEY. Will you explain the circumstances?

Mr. ALLENBERG. There was a lease held by Tom Cassara and he went to Mrs. Wofford and told her that they owed considerable money and wanted to dispose of their lease. She said she wouldn't consent to any assignment of the lease, so I entered into a manager's agreement and took a 50-percent interest in the management of the hotel in whatever profits were made and all the expenses that would come in and this agreement was with Max Marmelstein of Cleveland.

Mr. HALLEY. Where did you get the money?

Mr. ALLENBERG. I had \$10,000 of my own and I had borrowed about \$11,000 from Erickson.

Mr. HALLEY. Eventually Erickson loaned you some money still further, did he not?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. There are documents which show that Erickson considered himself a partner of yours in the deal; that he had a half interest in Allenberg?

Mr. ALLENBERG. That is right.

Mr. HALLEY. And was he paid his half of the profits?

Mr. ALLENBERG. He was paid his money back and there might have been a few extra dollars and then he declared himself out.

Mr. HALLEY. He just said he was out?

Mr. ALLENBERG. Yes.

Mr. HALLEY. In effect making you a gift of it?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. From then on you had the management contract yourself?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. In that management you were associated with certain other people?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. There is a chart here. Perhaps it would be simpler if you would just use the chart to refresh your recollection and tell the committee with whom you were associated at the Wofford Hotel.

Mr. ALLENBERG. Cassara told me when I went in there that the only one that might have an interest would be John King. I didn't know John King and I made inquiry about him and I found out there was nothing against him that anybody told me.

Mr. HALLEY. He happens to be a notorious racketeer.

Mr. ALLENBERG. I didn't know it at that time.

Mr. HALLEY. You know it now?

Mr. ALLENBERG. I know it from reading about it.

Mr. HALLEY. Will you go ahead?

Mr. ALLENBERG. Also around the hotel he said that he represented his father-in-law Jimmy Kelly; also Anthony Carfano whose name is on there.

Mr. HALLEY. That is Little Augie?

Mr. ALLENBERG. Known as Little Augie.

Mr. HALLEY. He certainly is a notorious racketeer and was for many years?

Mr. ALLENBERG. That is correct.

Mr. HALLEY. You knew that?

Mr. ALLENBERG. I didn't know it at the time.

Mr. HALLEY. You knew who he was?

Mr. ALLENBERG. Yes.

Mr. HALLEY. And if somebody had mentioned him to you, you would have known he was a racketeer?

Mr. ALLENBERG. Yes.

Mr. HALLEY. When did you first find out he was in the deal?

Mr. ALLENBERG. It was very long after I got started in the hotel and started to fix it up and clean it up.

Mr. HALLEY. How did that happen?

Mr. ALLENBERG. I saw him around there.

Mr. HALLEY. What year was this?

Mr. ALLENBERG. 1941.

Mr. HALLEY. Will you go ahead?

Mr. ALLENBERG. I stayed around in that particular hotel until 1945—about May 1945. Then I made arrangements to sell my interest to John King.

Mr. HALLEY. Before you leave the Wofford Hotel, you will notice on that chart which, I might say, is for the most part compiled from your former testimony before the committee, contains certain names in the lower left-hand corner in the box entitled "Gambling games." Will you tell the committee about those gambling games?

Mr. ALLENBERG. They were private games. This is just from hearsay that I am telling you because I never saw any of them myself.

Mr. HALLEY. But you were managing this hotel?

Mr. ALLENBERG. Yes, sir; I was.

Mr. HALLEY. And various people gathered there to gamble privately?

Mr. ALLENBERG. I would think so.

Mr. HALLEY. Was there any public gambling at the Wofford Hotel?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. Was there any race-track booking?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. Any gaming room?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. There was just this private card room?

Mr. ALLENBERG. Yes.

Mr. HALLEY. Where did that take place?

Mr. ALLENBERG. In one of the suites.

Mr. HALLEY. Who frequented that card game?

Mr. ALLENBERG. Sir?

Mr. HALLEY. Who were the people who played cards there together?

Mr. JEPWEAY. If you know.

Mr. ALLENBERG. Fellows like Johnny King, Little Augie—

Mr. HALLEY. Joe Massey?

Mr. ALLENBERG. I didn't see Joe Massey around there. I didn't see Fischetti around there, but there were others that came in and they played cards with them.

Mr. HALLEY. Di Carlo?

Mr. ALLENBERG. I don't know. He lived at the hotel, so I imagine he played cards with them, too.

Mr. HALLEY. Now, looking at the left to the associates and the clientele, will you just go down the list taking one of them at a time and tell the committee which of these people did either stay or visit and which didn't.

Mr. ALLENBERG. I don't know who the Civettas are. I don't know Zwillman. I don't know Delmore and I don't know Stefano, and I don't know the last, Nick Bravos.

Mr. HALLEY. You know Zwillman?

Mr. ALLENBERG. Only by reputation.

Mr. HALLEY. Didn't he come to the hotel?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. Never?

Mr. ALLENBERG. I never saw him.

Mr. HALLEY. But Massey did. He came to the hotel.

Mr. ALLENBERG. Occasionally.

Mr. HALLEY. And he would visit King and Carfano?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And Bischoff—Lefty Clark?

Mr. ALLENBERG. I never saw him around there.

Mr. HALLEY. But you know of him?

Mr. ALLENBERG. I know who he is; yes, sir.

Mr. HALLEY. Who else did you see around the hotel? That is, of the people on that list?

Mr. ALLENBERG. Herman Stark.

Mr. HALLEY. How about Costello?

Mr. ALLENBERG. Occasionally he came down.

Mr. HALLEY. He would come to the hotel?

Mr. ALLENBERG. Occasionally.

Mr. HALLEY. And Erickson?

Mr. ALLENBERG. Yes, he was there.

Mr. HALLEY. In fact, there was testimony that you would go and meet Erickson at the station and bring him back in your car; isn't that so?

Mr. ALLENBERG. At times; yes, sir.

Mr. HALLEY. Now, does that cover the people who came to the hotel?

Mr. ALLENBERG. Substantially.

Mr. HALLEY. So that you would say that the chart is substantially correct, would you not?

Mr. ALLENBERG. I would say so; yes.

Mr. HALLEY. Erickson, in addition to his interest at Tropical Park, had certain other business in the Miami area, did he not?

Mr. ALLENBERG. I have heard about them, but I don't know of my own knowledge.

Mr. HALLEY. You have testified with reference to some things. Let's see what we can cover. He did have an interest in the Colonial Inn; at the time when it did have gambling in it, did he not?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. In fact, you were there with him?

Mr. ALLENBERG. No, sir, I was not.

Mr. HALLEY. You were there. You visited the place.

Mr. ALLENBERG. I have been to Colonial Inn.

Mr. HALLEY. I didn't mean to say that you had an interest in it. I mean you were physically present in the premises?

Mr. ALLENBERG. I had no participation in it.

Mr. HALLEY. I hadn't meant to say that you had a participation. You visited Colonial Inn with Erickson?

Mr. ALLENBERG. Not necessarily with Erickson. I would go up there myself.

Mr. HALLEY. With anybody else?

Mr. ALLENBERG. With many people.

Mr. HALLEY. He had, in addition to that, the horse-betting concession at the Roney Plaza; is that right?

Mr. ALLENBERG. So I have heard.

Mr. HALLEY. You know.

Mr. ALLENBERG. I know it.

Mr. HALLEY. And he had the betting concession at the Hollywood Hotel?

Mr. ALLENBERG. So I have heard.

Mr. HALLEY. And at the Boca Raton?

Mr. ALLENBERG. I have heard of it.

Mr. JEPWEAY. What years are we talking about?

Mr. HALLEY. Mr. Allenberg can testify as to the particular years. Would you specify what years, Mr. Allenberg?

Mr. ALLENBERG. I wouldn't know what years particularly.

Mr. HALLEY. You know in some years recently these things have been so?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And he also conducted a bookmaking business at the race track, did he not?

Mr. ALLENBERG. Yes, sir, so I am told.

Mr. HALLEY. You were more than told that, Mr. Allenberg. You know, for instance, Bert Briggs?

Mr. ALLENBERG. Yes.

Mr. HALLEY. And Frank Strader?

Mr. ALLENBERG. Yes.

Mr. HALLEY. And Al Cantor?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And Jackie Zeldow?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. They worked for Erickson?

Mr. ALLENBERG. That is correct.

Mr. HALLEY. And they also lived at the Wofford Hotel?

Mr. ALLENBERG. I think they did. Some of them did, anyhow.

Mr. HALLEY. During the racing season those people would go to the race track every day, wouldn't they?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And they would take bets?

Mr. ALLENBERG. That is correct.

Mr. HALLEY. Those bets would not go through the parimutuel machines at all; is that right?

Mr. ALLENBERG. That I wouldn't know. Sometimes I suppose they might.

Mr. HALLEY. Some might be put through the machines, but for the most part Erickson was running a bookie business through these people at the racetrack?

Mr. ALLENBERG. I would say so.

Mr. HALLEY. Isn't it a fact that these people would return to the hotel each night, total up the amount of money which had been won and lost and send a report each night up to New Jersey to the Erickson headquarters?

Mr. ALLENBERG. That would only be surmise. It wouldn't be any of my own knowledge.

Mr. HALLEY. You know that they came back to the hotel and sat around in a room working up the figures?

Mr. ALLENBERG. I don't know what they worked on, but I would assume it might have been.

Mr. HALLEY. You know what they worked on?

Mr. ALLENBERG. I assume.

Mr. HALLEY. They worked on the results of the day, got the wins and the losses and they had a tabulation worked up for the day?

Mr. ALLENBERG. I would think so.

Mr. HALLEY. And that was sent to Erickson every night?

Mr. ALLENBERG. That I wouldn't know, Mr. Halley.

Mr. HALLEY. You know it. You said you know it.

Mr. JEPEWAY. May it please the chairman. He is arguing. The witness said to the best of his knowledge he surmises that to be the situation. I think any further questioning along that line is argumentative.

Mr. HALLEY. All right, Mr. Allenberg. Go ahead. They sent these reports up each night, didn't they?

Mr. JEPEWAY. If you know, sir.

Mr. ALLENBERG. I don't know. To the best of my knowledge, I would think they should have.

The CHAIRMAN. Where were the checks cashed?

Mr. HALLEY. Now, the time came when you moved your hotel operations from the Wofford Hotel to the Boulevard Hotel?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. What interest did you have in the Boulevard Hotel?

Mr. ALLENBERG. I had a third interest in the Boulevard Hotel; on the lease.

Mr. HALLEY. And you operated it as a hotel man; is that right?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. What years were they?

Mr. ALLENBERG. 1945 up to the present April.

Mr. HALLEY. 1945 up to the present April?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Who were the other persons who had an interest in the Boulevard Hotel?

Mr. ALLENBERG. Herman Leavitt and Charles Collins, both hotel men.

Mr. HALLEY. Did Briggs and Cantor stay at the Boulevard Hotel?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. During the time that you had the lease at the Boulevard Hotel?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Did they continue their operations at the track?

Mr. ALLENBERG. As far as I know; yes.

Mr. HALLEY. Going to the track and taking bets and so forth?

Mr. ALLENBERG. Yes.

Mr. HALLEY. And coming back to the hotel each night, totaling the results and so forth?

Mr. ALLENBERG. That is correct.

Mr. HALLEY. As a result of the operations, they received certain checks; is that correct? They received checks from bettors?

Mr. ALLENBERG. I would say "Yes."

Mr. HALLEY. Can you tell the committee what would happen to the checks which were paid to these agents of Erickson each day?

Mr. ALLENBERG. They would go down to the desk and ask if they could be cashed.

Mr. HALLEY. Would you personally take them to the bank?

Mr. ALLENBERG. I used to go to the bank for the firm.

Mr. HALLEY. And these checks were never endorsed by any of those people; Erickson's agents?

Mr. ALLENBERG. Oh, yes.

Mr. HALLEY. They were?

Mr. ALLENBERG. Oh, yes.

Mr. HALLEY. They had your endorsement on it for cash?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Are you sure they were endorsed by Erickson's agents?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Are you sure you didn't get them and put your endorsement on them as a hotel endorsement?

Mr. ALLENBERG. Just my endorsement if the checks were made out—

Mr. HALLEY. Suppose a check was made out to cash?

Mr. ALLENBERG. Then I would just have my endorsement.

Mr. HALLEY. And you took these to the bank and cashed them each morning?

Mr. ALLENBERG. That is correct. It wouldn't have been every morning; maybe once or twice a week.

Mr. HALLEY. What would you do with the cash?

Mr. ALLENBERG. I would give it to the men.

Mr. HALLEY. Would you name some of the men?

Mr. ALLENBERG. I would give it to Briggs or I would give it to Cantor.

Mr. HALLEY. And this went on from the year—for what years, would you state?

Mr. ALLENBERG. In the winter, starting in—

Mr. HALLEY. What year?

Mr. ALLENBERG. 1945, 1946, 1947, 1948, and 1949.

Mr. HALLEY. You have been rather active politically, have you not, Mr. Allenberg?

Mr. ALLENBERG. Occasionally.

Mr. HALLEY. You made campaign contributions, did you not?

Mr. ALLENBERG. Once in a while; yes, sir.

Mr. HALLEY. Would you state what campaign contributions you have made?

Mr. JEPWEY. What years are you covering, if I may ask you?

The CHAIRMAN. Recent years.

Mr. ALLENBERG. In the Fuller Warren campaign I think I contributed about \$300.

Mr. HALLEY. You had some meetings at the Boulevard Hotel, did you not, in favor of Fuller Warren?

Mr. ALLENBERG. Yes, sir. I had meetings at other hotels too, and other public places.

Mr. HALLEY. You were prominent in those meetings, were you not?

Mr. ALLENBERG. Yes, sir. Just because they picked me out; I didn't have to be. They could have picked somebody else.

Mr. HALLEY. What other political activity have you had recently?

Mr. ALLENBERG. I made a contribution—I think it was \$200—to Senator Pepper's campaign.

Mr. HALLEY. What contributions have you made to national campaigns recently?

Mr. ALLENBERG. Well, it was in 1947 that they had a Democratic National Committee dinner down here, at which they charged \$250 apiece for tickets, for the dinner tickets, and I sold 10 tickets to Frank Erickson, and the \$2,500 I got I gave to the committee, and they sent me an acknowledgment for it.

Mr. HALLEY. It went in your name; is that right?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. What other contributions did you make?

The CHAIRMAN. Did you contribute anything to Jimmy Sullivan's campaign?

Mr. ALLENBERG. I gave \$50 to Jimmy Sullivan; that is all. I wasn't active in many political campaigns. I was the treasurer of the Truman-Barkley committee down here, but that wasn't very active.

The CHAIRMAN. Are you a State committeeman or anything of that sort?

Mr. ALLENBERG. No, sir. I just happened to get recommended into it.

The CHAIRMAN. Mr. Allenberg, did you know all of these people up in New York before they came down here? You knew Erickson?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. You knew Costello?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Where did you meet him?

Mr. ALLENBERG. From being introduced by Erickson.

The CHAIRMAN. Did you represent him?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. And the partnership with John King at the Wofford?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Do you know a Henry Pellino, C. P. A.?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Did you have any transactions with him?

Mr. ALLENBERG. He represents Frank Erickson.

Mr. HALLEY. And you had certain correspondence with him?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. About Frank Erickson; is that right?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Mr. Allenberg, the point is your income-tax return and Erickson's and all of these fellows who operated were made in New York and not down here; is that correct; or did you make your income-tax return here?

Mr. ALLENBERG. Down here.

The CHAIRMAN. Did you send your books up to New York to have it made?

Mr. ALLENBERG. I used to have Pellino check up returns for me when I was at Tropical Park race track, but after a year or two after that I just got away from him altogether. I didn't bother with him.

The CHAIRMAN. Do you know what year that letter was written?

Mr. ALLENBERG. I would say 1943.

The CHAIRMAN. Let that letter be made as an exhibit. (Refer to exhibit No. 40, appendix, p. 731.)

Mr. HALLEY. There is one other document here that the committee would like you to identify, this sheet of paper. Would you state what it is?

Mr. ALLENBERG. This is a list of the contributions and moneys that I received in the Fuller Warren campaign for Governor. (List of contributions was marked "Exhibit No. 164," and is on file with committee.)

Mr. HALLEY. In 1948?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. What is the total amount of contributions you collected for that campaign?

Mr. ALLENBERG. It says on here \$5,275.

Mr. HALLEY. To whom did you turn over that money.

Mr. ALLENBERG. To myself.

Mr. HALLEY. What did you with it?

Mr. ALLENBERG. Disbursed it.

Mr. HALLEY. To whom?

Mr. ALLENBERG. To different people that did work.

Mr. HALLEY. You mean you paid out bills directly?

Mr. ALLENBERG. I paid out bills.

Mr. HALLEY. You didn't give it to any campaign committee or county committee?

Mr. ALLENBERG. I think they had a bank account. If they wanted to pay the workers they had the cash there.

Mr. HALLEY. Did you turn the balance of it over to anybody?

Mr. ALLENBERG. There wasn't any balance. We were short when the thing was all over.

Mr. HALLEY. You collected some moneys personally, did you?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. And you distributed some personally?

Mr. ALLENBERG. Yes, sir.

Mr. HALLEY. Was there a balance after you gave money to any committee or any committee member, individually?

Mr. ALLENBERG. I don't remember whether they had a bank account or not. I think they did have a bank account.

Mr. HALLEY. Who would "they" be?

Mr. ALLENBERG. Well, a legal campaign committee. There were some reputable men connected with it.

Mr. HALLEY. And you were quite active in that campaign?

Mr. ALLENBERG. Yes. I just became enthused, and ran along with it after it was over.

The CHAIRMAN. Mr. Allenberg, one further question: What was this Abe Allenberg Contracting Co.?

Mr. ALLENBERG. It says Abe Allenberg contract. There was no such thing as Abe Allenberg Contracting Co.

The CHAIRMAN. What did that have to do with the Gables Racing Association?

Mr. ALLENBERG. That is the contract in reference to the commission, Senator, that we spoke about in the same testimony here.

The CHAIRMAN. The sale of the Tropical Park race track was by Mr. Patton and Mr. Erickson to somebody else?

Mr. ALLENBERG. That's correct.

The CHAIRMAN. Did John Patton sell out his interest?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. Where did Frank Costello come into that picture?

Mr. ALLENBERG. Frank Costello was not in that picture, Senator.

The CHAIRMAN. He didn't have anything to do with it?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. Did you have any business dealings with Mr. Costello down here?

Mr. ALLENBERG. No, sir.

Mr. HALLEY. Except that he stayed at the Wofford and paid his rent.

Mr. ALLENBERG. Occasionally he stayed there. He stayed at a lot of other famous hotels here, too, and paid his rent.

The CHAIRMAN. But generally the Angersola and Cleveland and Detroit and New York people stayed at your hotel; I mean the fellows down here from New York, Cleveland, and Detroit?

(No response.)

The CHAIRMAN. At any rate, the New York and Cleveland people usually stayed at your hotel?

Mr. ALLENBERG. Senator, there weren't many hotels open on the Beach back there when those fellows started to come in here. As soon as they could get into other hotels many of them moved into other hotels. This hotel was taken over by the Army in '41 and '42. My hotel had a good reputation with the Army in '42; perhaps outstanding in this area. The Truman committee stopped at that hotel.

The CHAIRMAN. And you had many conventions there, didn't you?

Mr. ALLENBERG. Yes, sir. The Rotary Club met there, and other well-known organizations met there.

The CHAIRMAN. Some question came up about your being an honorary deputy sheriff; what was that about?

Mr. ALLENBERG. Just a silly thing. I wanted to be an honorary deputy sheriff so that I could say I was a sheriff.

The CHAIRMAN. Did you ask Mr. Sullivan to make you an honorary deputy sheriff?

Mr. ALLENBERG. I asked one of the deputies. I don't remember who it was now.

The CHAIRMAN. Did you talk with Mr. Sullivan about it or just the deputy?

Mr. ALLENBERG. I talked to Sullivan for maybe 2 or 3 years about it, and never got anything.

The CHAIRMAN. So you talked with the deputy and got to be an honorary deputy sheriff?

Mr. ALLENBERG. Yes, sir; and I'll give it back to him.

The CHAIRMAN. Did you ever arrest anybody while you were honorary deputy sheriff?

Mr. ALLENBERG. No, sir. I can't even get by the toll on the causeway with it.

The CHAIRMAN. What made you want to be an honorary deputy sheriff?

Mr. ALLENBERG. Just a matter of vanity, I guess, Senator, so I could show it to my friends.

The CHAIRMAN. Have you liked to read stories about policemen and things of that sort, so you thought you would like to be one?

Mr. ALLENBERG. I don't get much chance to read. I work pretty hard around the hotel.

The CHAIRMAN. Unless you want to ask some questions, Mr. Jepe-way, that is all we have of this witness.

Mr. JEPEWAY. I would like to. Mr. Allenberg, when Frank Erickson took over an interest in Tropical Park, was that with the full knowledge and consent of the Florida State Racing Commission?

Mr. ALLENBERG. Yes, sir.

Mr. JEPEWAY. Did they have full knowledge of the fact that Frank Erickson owned a substantial interest in Tropical Park and that that stock was held in your name for him?

Mr. ALLENBERG. Yes, sir.

Mr. JEPEWAY. They approved it, did they?

Mr. ALLENBERG. Yes, sir.

Mr. JEPEWAY. Who was Governor of Florida at that time, as nearly as you can remember?

Mr. ALLENBERG. It was Governor Sholtz.

Mr. JEPEWAY. Your recollection is that Dave Sholtz was Governor?

Mr. ALLENBERG. I think so.

Mr. JEPEWAY. You mentioned in your direct testimony that you sold 10 tickets at \$250 apiece to the national Democratic dinner. Is that the one that was held at the Roney Plaza Hotel?

Mr. ALLENBERG. Yes, sir.

Mr. JEPEWAY. Is that the one at which the then Attorney General of the United States of America, Tom Clark, was the principal speaker, and who is also now a Justice of the Supreme Court of the United States, and is that the same dinner at which Frank Erickson bought 10 tickets at \$250 apiece?

Mr. ALLENBERG. I don't remember who was the principal speaker, whether it was Tom Clark or not; I don't remember.

Mr. JEPEWAY. Well, I attended that dinner and my recollection is that George Smathers was the presiding toastmaster and that Tom Clark was the principal speaker.

Mr. ALLENBERG. I'll take your recollection.

Mr. JEPEWAY. That is the same dinner, the only dinner, that was held here, wasn't it?

Mr. ALLENBERG. Yes, sir.

Mr. JEPEWAY. Did Erickson attend the dinner?

Mr. ALLENBERG. He did.

Mr. JEPEWAY. You say he did?

Mr. ALLENBERG. Yes, sir.

The CHAIRMAN. You are not in partnership with anybody from the Wofford now?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. You are not in partnership with Mr. Erickson any further?

Mr. ALLENBERG. No, sir.

The CHAIRMAN. I believe that is all, Mr. Allenberg.

Due to the fact that it is necessary for the members of the committee and also the staff, most of the staff of the committee, to be in St. Louis on Monday and subsequently in Kansas City, it is going to be impossible to carry the proceedings of this investigation beyond this point at this time.

Some witnesses who have been subpoenaed will remain under subpoena. We will work out some arrangements about hearing them at a later time. Of course, as to any witnesses who have testified, if there is some other matter that comes up in reference to their testimony, or the subject matter of their testimony, they will stand under subpoena. There have been certain witnesses upon whom we have been unable to serve subpoenas, and we will expect them to testify in open sessions

later on. Also, as the inquiry has developed, other names have been furnished the committee, some of whom may be called upon to testify.

It is, of course, impossible, as I have said at the outset, to go into all the details about any transactions in any section. I think we have gone into much more detail here than we will be able to do in other places, although we want to do as much as we can wherever we go. In the meantime, some members of the staff of the committee will continue their inquiry and investigation in Florida to get any additional evidence or to bring together any bits of evidence that have been brought out in the testimony.

At a later date certain parts or the testimony of certain witnesses taken in private hearing as they relate to the inquiry down here will be released.

The chairman of the committee, on behalf of the committee and the staff, wants to thank Judge Holland again for the use of this courtroom and for the cooperation of Judge Holland and of Deputy Marshal Gates and all of the staff of the marshal's office. We also extend our thanks to the many other officials who have been so courteous and kind to us and to the visiting members of the press who have come down here and to the many public-spirited citizens who have received us and tried to help us with our work since we have been in Miami.

I hope that the public will appreciate that a great deal of the job that this committee has to do is not a pleasant one. It doesn't particularly mean anything to us back in our home States. We do feel, and the Senate of the United States feels, that where there is, and if there is, large organization of criminal activity in interstate commerce which has a deteriorating effect upon the public generally and takes away from working people large sums of money, adversely affecting the economy and the living conditions of many people, also if this organized criminal activity adversely affects good government, if it has a generally corrupting influence upon public officials so that law-abiding officials cannot have confidence in their Government or feel that they have proper protection of the laws against any kind of law violation, it is a very, very important problem from the national viewpoint.

It has been represented to the public and to the Senate of the United States that the vehicle of interstate commerce is being used in such a way as to make it very difficult to cope with certain types of criminal activity on behalf of certain well-entrenched and well-financed people and groups on purely a local basis. The chairman of the committee and the committee feel, and join with other good citizens in the view, that law enforcement is very, very largely a local matter. People usually get what they want. It is public interest on the part of private citizens locally that is going to make the determination one way or the other as to what kind of government and law enforcement we have.

The only place the Federal Government comes in is in connection with interstate commerce, whether any laws should be amended or improved or whether any other laws should be passed to try to prevent the vehicle of interstate commerce being used in violation of the laws of the States or in violation of the laws of the United States.

The committee feels that the testimony it has obtained here in Florida is very helpful in making this determination. Most of you have heard the testimony. You have seen certain connections which, put together with testimony we have at other places and testimony that we will have, form an important part of the picture that we are trying to find out about.

We have tried to conduct a fair hearing. I know that some people may be angry at us; perhaps some people will criticize the way we have handled this, or as to the way certain questions have been asked; but we have tried, the committee and the staff, to conduct a fair investigation in line with the resolution that was passed by Congress.

We do appreciate the interest of so many public-spirited citizens, public officials, and we will continue to work on this matter, and, of course, conditions in Florida will play an important part in our investigation until it is terminated.

I am sorry if we have called any witnesses here whom we are not going to be able to hear at this time, but, inasmuch as we must get away very shortly by plane, it will be impossible to hear any other witnesses at this time.

With thanks to all of you for assisting us, that terminates the hearing.

(Whereupon, at 4:05 p. m., the hearing adjourned, subject to call of the chairman.)



INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

WEDNESDAY, AUGUST 9, 1950

UNITED STATES SENATE, SPECIAL COMMITTEE TO
INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The committee met, pursuant to call, at 10:15 a. m., in room 318, Senate Office Building, Senator Estes Kefauver (chairman) presiding.

Present: Senators Kefauver, O'Connor, Hunt, and Wiley.

Also present: Rudolph Halley, chief counsel; Harold G. Robinson, associate counsel; Alfred Klein and Downey Rice, assistant counsels, The CHAIRMAN. The committee will come to order.

This is an adjourned hearing of the hearing of the committee in Florida several weeks ago. At that time it was not possible to have several witnesses present whom the committee wanted to hear. Most of the additional witnesses that we wanted to hear in Miami are present today. Mr. Ben Cohen was present at the meeting in Florida, but the committee decided we would rather have him testify at the time that other alleged members of the S. & G. Syndicate also testified. I believe today present are Leo Levitt, Harold Salvey, Jules Levitt, Edward Rosenbaum, and also Mr. Ben Cohen. His brother, Sam Cohen, is in town but I understand he is still suffering from heart attacks but can come if we need to have him. And Mr. William H. Johnston is also present.

Two other witnesses we did want to hear are Mr. John Patton and Mr. Russell. We have not been able to serve subpoenas on them. We anticipated that they will be called before the committee at a later time.

Since we were in Florida for our last hearing, the committee's attention has been called to an AP story of July 26, to the effect that:

The Miami Daily News said today the Miami Beach S. & G. booking syndicate has gone out of business officially, but the five partners are planning to resume operations in the fall separately.

Official announcement of the end of the five-man partnership came from Ben Cohen, attorney for the S. & G. and brother of syndicate member Sam Cohen, the newspaper said.

Ben Cohen said the five partners decided to end the life of the syndicate yesterday. The paper said the partners planned to organize five separate companies this fall. The spots they controlled as a body will be divided equally.

Investigation by the Department of Internal Revenue was cited by the paper as probably the biggest reason for the break-up of the multi-million-dollar bookie syndicate. A sixth member of the syndicate, Harry Russell, of Chicago, was not consulted, the paper said, and was believed to have pulled out of the organization a month or two ago.

The Miami Herald said the syndicate had ordered telephones removed from all its eight offices.

The committee of course would be very much interested in just what has taken place in connection with the syndicate and what operations are planned in the future.

Do you have anything you want to say, Senator Wiley?

Senator WILEY. No.

The CHAIRMAN. Mr. Ben Cohen, will you come around? Mr. Cohen, do you solemnly swear the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BEN COHEN. I do.

TESTIMONY OF BEN COHEN, ATTORNEY, MIAMI BEACH, FLA.

The CHAIRMAN. All right, Mr. Halley, you may proceed.

Mr. HALLEY. Mr. Cohen, what is your business?

Mr. COHEN. I am an attorney at law, sir.

Mr. HALLEY. What is your business address?

Mr. COHEN. 604 Mercantile National Bank Building, Miami Beach, Fla.

Mr. HALLEY. Where do you reside?

Mr. COHEN. 815 West DiLido Drive, Miami Beach, Fla.

Mr. HALLEY. Are you familiar with a partnership known as the S. & G. Syndicate?

Mr. COHEN. I am, sir.

Mr. HALLEY. Will you state what the S. & G. Syndicate is?

Mr. COHEN. The S. & G. Syndicate originally started as a group of five boys. In 1949 they added another boy. Their business is the financing of concessionaires at hotels at Miami Beach, Fla.

Mr. HALLEY. Has S. & G. Syndicate been dissolved recently?

Mr. COHEN. It definitely has.

Mr. HALLEY. Would you state when it was dissolved and just what happened?

Mr. COHEN. I was called in by the five people, with the exception of Mr. Russell, and they said, "Ben, we have decided to dissolve. We are through with the business entirely."

I asked them whether or not they wanted me to give any statement. They said, "No, don't give out a statement because if you do, the people might think it is a phony. Let them find out by themselves. When they see the phones taken out of the offices and when they see the offices given up, they will know that it is dissolved."

Mr. HALLEY. When did this occur?

Mr. COHEN. Approximately 2 or 2½ weeks ago, a few days prior to that article that Senator Kefauver just read.

Mr. HALLEY. Where was this meeting?

Mr. COHEN. They had met in their offices and they came and told me this in my office.

Mr. HALLEY. All five came to your office?

Mr. COHEN. I think that was it, sir.

Mr. HALLEY. Was anybody else present? Leo Levitt, for instance?

Mr. COHEN. No, sir.

Mr. HALLEY. There has been a report in the newspapers, as you know, a statement that the various members of S. & G. intended to operate on their own in the future. Can you comment on that?

Mr. COHEN. I could comment very vehemently about that. The newspapers evidently were able to sell their newspapers because they write about S. & G. They can't afford to let the S. & G. die. They can only afford to persecute them as long as they can. Mr. Wilson McGee, who is here now, is the only one who told the truth concerning that matter. I saw Mr. Daniel Sullivan of the crime commission and asked him where he ever got the idea that they were going to operate individually as individuals. He said to me, "I guess it was one of my pipe dreams."

My answer to him was that he just took the words out of my mouth, that I thought it was one of his pipe dreams because there is definitely no truth to the statement that the boys had decided to operate by themselves. In fact, I called Mr. Hoke Welch, of the Miami Daily News, and said to Mr. Welch:

I understand it is attributed to me that the boys are going to operate as individuals. I have not seen that paper.

He repeated to me:

No, we did not quote you as saying that, Mr. Cohen, but it is our observation.

I have since learned, and in growing older you learn you can't control observations of newspapers or opinions of other people.

Mr. HALLEY. Aside from the origin of the press report, are you in a position to state now whether or not the individual members of the S. & G. Syndicate have expressed any intention as to whether they are going to continue operation on any basis whatsoever in the future?

Mr. COHEN. They have expressed an intention, and their intention as expressed to me was that they will never engage in that business again.

Senator WILEY. Individually or jointly?

Mr. COHEN. Individually, jointly or collectively, in any manner whatsoever.

Mr. HALLEY. How did the S. & G. Syndicate originate, when and under what circumstances?

Mr. COHEN. From my investigation made here recently, back in 1944 there was a group of Harold Salvey, Jules Levitt, and Charles Friedman who were together. My brother, Sam Cohen, was operating by himself, and Mr. Rosenbaum was operating by himself. It is my understanding that because of economic reasons they felt it would be better for them to join as partners and operate as one group. That took place in September, I believe, of 1944.

Mr. HALLEY. At that time there were six who joined the group; is that right?

Mr. COHEN. No.

Mr. HALLEY. Let's see. There was Charles Friedman, is that right?

Mr. COHEN. Yes.

Mr. HALLEY. Jules Levitt?

Mr. COHEN. Yes.

Mr. HALLEY. Harold Salvey?

Mr. COHEN. Yes.

Mr. HALLEY. Sam Cohen?

Mr. COHEN. That is right.

Mr. HALLEY. Eddie Rosenbaum?

Mr. COHEN. That is right.

Mr. HALLEY. And there was a man named William Maher?

Mr. COHEN. I didn't know any—I know who William Maher is, but I didn't know of him in that business.

Mr. HALLEY. Wasn't he in the S. & G. for a period of about a year at the beginning?

Mr. COHEN. I don't think it was for about a year. I think it was for a few months. Then by presidential edict the tracks closed, and I think he got out either prior to that or immediately when the tracks did close.

Mr. HALLEY. When he left S. & G. he was paid a substantial amount for his interest, was he not?

Mr. COHEN. That I can't answer, but he was paid some money.

Mr. HALLEY. About \$100,000, wasn't it?

Mr. COHEN. I couldn't say that. I have no knowledge of that. Their books would reflect that.

Mr. HALLEY. Was S. & G. organized as a partnership?

Mr. COHEN. Yes, sir.

Mr. HALLEY. A limited partnership, I presume?

Mr. COHEN. What do you mean by limited partnership?

Mr. HALLEY. As a syndicate, there was a specific investment by each member, but would the members continue to be liable for the obligations of the entire syndicate to the extent of their entire finances?

Mr. COHEN. I would think so.

Mr. HALLEY. You would state it would be a general partnership?

Mr. COHEN. It was a general partnership.

Mr. HALLEY. Mr. Cohen, can you state how S. & G. happened to be called that?

Mr. COHEN. I have heard all kinds of rumors as to how the name was gotten. In fact, the last one I heard was "stop and go." That would be as good a name as any. There is no particular reason for that name that I know of. I was not trying to be facetious with that "stop and go." No one seems to know.

Senator WILEY. Has it stopped now to go later?

Mr. COHEN. No; the initials are reversed.

Mr. HALLEY. Whose chose the name?

Mr. COHEN. That I would not know, sir.

Mr. HALLEY. Sometime after its formation you did register the name?

Mr. COHEN. Yes, I did.

Mr. HALLEY. In the city of Miami Beach; is that right?

Mr. COHEN. Yes, sir.

Mr. HALLEY. Acting as attorney or agent for the S. & G.?

Mr. COHEN. As attorney for them.

Mr. HALLEY. Have you acted as attorney for them since its inception?

Mr. COHEN. Yes, I have.

Mr. HALLEY. What other professional persons have worked for S. & G.? Who is their accountant?

Mr. COHEN. You mean at the present time?

Mr. HALLEY. Who was originally and who is now?

Mr. COHEN. There was a man by the name of Art Davis. Art had been their accountant for years, and he got killed in an automobile accident about a year or a year and a half ago. I don't know the exact

time. Then I understand that the work was turned over to Louis Gillman. They have done no work since then.

Mr. HALLEY. After S. & G. was set up, it had offices in various places; is that right?

Mr. COHEN. Yes; they had offices in various places.

Mr. HALLEY. Where was the main office?

Mr. COHEN. The main office was at the Mercantile Bank Building Annex. That is another building that was put up after the original Mercantile Bank Building, and this building connects on to the original bank building, but faces on Washington Avenue instead of Lincoln Road.

Mr. HALLEY. They also had branch offices scattered around the beach?

Mr. COHEN. They had different type offices around the beach. The other type offices, I am told, are where they received the information from the concessionaires as to the wagers that the concessionaires accepted.

Mr. HALLEY. They had an office where Rosenbaum operated, is that right?

Mr. COHEN. Rosenbaum was at the Mercantile Bank Building office.

Mr. HALLEY. Didn't he have a penthouse office on top of one of the hotels?

Mr. COHEN. No; not that I know of. Rosenbaum was always at the Mercantile Bank Building.

Mr. HALLEY. Wasn't there a penthouse on top of one of the hotels on the beach where he operated a telephone exchange to exchange information with bookmakers over the country on hot horses?

Mr. COHEN. I wouldn't know of that, sir.

Mr. HALLEY. He is here and we can ask him.

Mr. COHEN. Yes.

Mr. HALLEY. What was the business? Would you describe it in detail?

Mr. COHEN. Yes; the concessionaire would take a concession or cigar stand, whatever name you want to call it, at a hotel. He would then come to the S. & G. offices where they would form an agreement whereby they were the bankers for him. The concessionaire paid for the hotel out of his own pocket. That was his own expense. He hired his own help and paid for whatever there was around the business. He in turn would call in his bets to the S. & G., one of their offices. At the end of each month or whatever period it would be—I don't know exactly how they operated that, but the books reflect it—they would deduct the expenses from the profit and divide it 50-50.

Mr. HALLEY. These concessionaires were bookmakers; is that right?

Mr. COHEN. That is right, sir.

Mr. HALLEY. They would take bets on horse races?

Mr. COHEN. That is right.

Mr. HALLEY. As far as you know, they would take them contrary to the law of the State of Florida; is that right?

Mr. COHEN. That is correct. They did that.

Mr. HALLEY. I believe the Governor of Florida only 2 or 3 days ago made a statement saying that every bet taken outside of the parimutuels on the track deprived the State of Florida of a certain amount of revenue that was due on taxes on horse bets; is that correct?

Mr. COHEN. He may have made that statement, but it is problematical whether it is right or not.

Mr. HALLEY. As far as you know, the concessionaires and agents for S. & G. did not pay any tax on their bets, did they?

Mr. COHEN. That is correct.

Mr. HALLEY. A particular bookmaker would operate in a hotel or in some other premises; is that right?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. He would pay his own rent, you have testified. Is it not a fact that in many cases S. & G. did participate in the rent?

Mr. COHEN. They would allow him a certain portion of the rent to be taken from the profits. That would go to him.

Mr. HALLEY. In each case S. & G. participated in the profits; is that right?

Mr. COHEN. Yes.

Mr. HALLEY. How did they participate?

Mr. COHEN. The first moneys that were taken off were given to the concessionaire toward his rent on an agreed amount between the concessionaire and the S. & G. Then there was a charge for the service. Then there was a charge for operating expense. The net profit was divided equally between them.

Mr. HALLEY. I would like to try to get it into a more concrete form. Your testimony is not objected to in its general form, but let us see if we can break it down on the daily operations. A bookmaker would receive bets during the course of the day from various of his customers.

Mr. COHEN. That is right.

Mr. HALLEY. He would note these bets on a 30-line sheet.

Mr. COHEN. I wouldn't know. He would note the bets.

Mr. HALLEY. He would have a sheet of paper on which he did it.

Mr. COHEN. Yes; that is correct, sir.

Mr. HALLEY. That sheet of paper was supposed to reflect accurately every bet he took?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. As soon as he took the bet he was supposed to telephone that into an S. & G. office; is that right?

Mr. COHEN. That is correct.

Mr. HALLEY. So there was immediate contact with S. & G. on every bet.

Mr. COHEN. Yes.

Mr. HALLEY. At the end of the day he either had a certain profit or loss.

Mr. COHEN. That is right.

Mr. HALLEY. When he finished paying off his customers. At that point an S. & G. agent would come to the particular bookmaker's premises and pick up the entire balance in cash; is that right?

Mr. COHEN. No; if he lost money that day he would come to Leo Levitt, who was the cashier, and get money from Leo to pay off the people that he had lost to. If he won money he would come and pay Leo the money that he had won. The S. & G. acted as trustees or custodians of the money until the time at which they would divide their profits.

Mr. HALLEY. Then each day there would be also deducted from the bookmakers' share certain expenses; is that right?

Mr. COHEN. That is correct.

Mr. HALLEY. There were two expressions, off the top and off the bottom. Are you familiar with them?

Mr. COHEN. No; I am not. Off the top and off the bottom?

Mr. HALLEY. In effect, certain expenses were taken off the total profit so that the expense would be shared equally by S. & G. and the bookmaker; is that right?

Mr. COHEN. Yes; those were expenses which the concessionaire had. They were his private expenses, and they were allowed by the S. & G. to the concessionaire.

Mr. HALLEY. For instance, if a bookmaker in the course of the day booked a thousand dollars in bets and paid out \$600 he would have \$400 left.

Mr. COHEN. That is correct.

Mr. HALLEY. Out of that \$400—first, we will say the \$400, if there were no expenses, would be split 50-50, \$200 to S. & G. and \$200 to the bookmaker; is that correct?

Mr. COHEN. No; he would get a credit for the \$400. What I meant to say, Mr. Halley, is that they wouldn't do it each day. It would be done at the end of a period of time.

Mr. HALLEY. Each day the \$400 would be just turned over to S. & G. to hold?

Mr. COHEN. That is correct.

Mr. HALLEY. He would have nothing?

Mr. COHEN. He would have credit.

Mr. HALLEY. He would have a credit.

Mr. COHEN. That is correct.

Mr. HALLEY. Then the expenses were taken as follows: There were some off the top, and I think that is the expression that is used.

Mr. COHEN. On the top. Not off the top, on the top.

Mr. HALLEY. On the top. They would include, for instance, the charge for wire service, is that right?

Mr. COHEN. I imagine that is the way it was handled. I think it was.

Mr. HALLEY. The wire service being provided by S. & G.

Mr. COHEN. That is right.

Mr. HALLEY. They would also include a certain allowance made for his employees, is that correct?

Mr. COHEN. That is correct.

Mr. HALLEY. He would be allowed one or two employees?

Mr. COHEN. It isn't what he would be allowed. If his place called for hiring two or three or four employees, he would take it up to the S. & G. and the S. & G. would allow that as his expense. They agreed on that particular place, that it did require so much help. The concessionaire in turn paid the man. He would hire the man and he would pay him and he would pay his social security and whatever other charges there were.

Mr. HALLEY. In other words, the expenses that were allowed to be deducted from this theoretical \$400 were expenses which had to be agreed to by S. & G., isn't that correct?

Mr. COHEN. That is correct.

Mr. HALLEY. In addition to that, fines that were paid as a result of arrests and convictions were taken off the profit, is that correct?

Mr. COHEN. Fines were charged, as I understand it—and I have talked with the boys about this—fines were charged to the concessionaire and allowed as an expense against his business.

Mr. HALLEY. In other words, S. & G. bearing its half of the expense out of its share of the profit.

Mr. COHEN. It eventually came out of their net which was the wins, but it was the expense of the concessionaire and not the expense of the S. & G. It did eventually show up in the net profit of the S. & G.

Mr. HALLEY. Assuming that at the end of a period of time there would be an accounting and a certain amount would be found due to the bookie.

Mr. COHEN. Yes, sir.

Mr. HALLEY. On the basis of his 50 percent after the deduction of this type of expense.

Mr. COHEN. Yes

Mr. HALLEY. There would then be certain other expenses deducted from the bookie's 50 percent, is that correct?

Mr. COHEN. That is correct.

Mr. HALLEY. What would they be?

Mr. COHEN. It all varied on the type of place he had. The service was deducted.

Mr. HALLEY. What is the service?

Mr. COHEN. The service is the news giving the odds on the different horses and the results of the races. The S. & G. would purchase that, and they in turn would sell it to their agents.

Mr. HALLEY. How do you distinguish that from the wire service?

Mr. COHEN. It amounts to the same thing.

Mr. HALLEY. There were two. There was the wire that was taken on the top, as you say.

Mr. COHEN. And then——

Mr. HALLEY. And then the service was taken off the bottom, off the bookie's own share.

Mr. COHEN. No, there was nothing off the bottom. Leo Levitt will be able to explain this. I think you have in mind the operating charge.

Mr. HALLEY. Yes.

Mr. COHEN. This was a charge that they had made to the concessionaire which was to include the clerks and the different expenses that the S. & G. had in servicing these accounts. I know Mr. Leo Levitt will know more about it because he is the one who handled that service charge. He can explain it a lot more intelligently than I would be able to.

Mr. HALLEY. But that type of expense came right off the bookie's percent?

Mr. COHEN. That is right, sir.

Mr. HALLEY. Rather than being shared between S. & G. and the bookie.

Mr. COHEN. Well, at one time, as I understand it, that was on the top, in which the S. & G. shared with it, too. But I understood that some of the concessionaires, if the amount just for argument's sake was \$100, \$50 of it was the concessionaire's ultimate cost to him and \$50 ultimately was the cost to the S. & G. But they went around yelling, they are robbing me for \$100. So they finally agreed on a method

whereby they paid \$50 themselves out of their own pocket, as they called it, so they couldn't go yelling that they were robbing me out of \$100. Have I made myself clear, Mr. Halley?

Mr. HALLEY. Yes.

Senator WILEY. Where did you get the news from?

Mr. COHEN. They got the news from a wire service. I think Mr. Robinson knows all about that. We have tried to cooperate so he can get all of that information. They purchased the news at one time from a man named Dave Burns, who is in Miami Beach at the present time, I am sure.

Senator WILEY. Whom did they pay, Burns?

Mr. COHEN. I think it was Mr. Burns. It was all paid by check and Mr. Robinson has all of that information.

Senator WILEY. Continental was out of there for 2 years or more, was it not?

Mr. COHEN. I am not acquainted with the different services.

Senator WILEY. That is all I have.

Mr. HALLEY. For the record at this time it should probably be stated that all of the books and records of S. & G. Syndicate were made fully available to the committee's investigators in Miami during the last week; is that correct?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. We have had extracts made from them and certain records photostated at the discretion of the committee; is that correct?

Mr. COHEN. Yes; that was the understanding, that it would be available to you for that purpose.

Mr. HALLEY. You have described the financing of the bookies. I don't quite understand it. It looked to me as though you were in partnership with the bookies or in fact as though they really worked for S. & G.

Mr. COHEN. No, they didn't work for S. & G. at all. The S. & G. never accepted a bet from anyone. They never paid an individual a bet.

Mr. HALLEY. Is that right? Weren't there certain bets that bookies did not book themselves because they were too large and the bookie was advised not to take them?

Mr. COHEN. Yes, there were lay-off bets.

Mr. HALLEY. Who took them?

Mr. COHEN. The office would take that.

Mr. HALLEY. Isn't that S. & G.?

Mr. COHEN. Yes, that is true. But that is not the bulk of their business. The bulk of their business was the recording of the wagers that the concessionaire accepted at the place.

Mr. HALLEY. Why would the bookies want to pay S. & G. half their profits? Just what did they need S. & G. for?

Mr. COHEN. For the financing of the whole thing.

Mr. HALLEY. What financing did they need?

Mr. COHEN. In looking over the records it takes money to go into business.

Mr. HALLEY. What money did you provide to these bookies? A great many of them had very substantial assets.

Mr. COHEN. There are a great many of them who had to borrow money from the S. & G. on which to carry on business even before they got their check. They were financed that way.

Mr. HALLEY. And a great many more had plenty of money and didn't need S. & G. at all, isn't that so?

Mr. COHEN. Well, it could be so.

Mr. HALLEY. Isn't it so?

Mr. COHEN. I would not say that.

Mr. HALLEY. You have some very substantial bookmakers.

Mr. COHEN. That I wouldn't know. I do know of some places that weren't serviced by S. & G., one place in particular, where the man who took it on his own got hit with some bets and he went away leaving the hotel just to take care of it, no matter which way they could.

Mr. HALLEY. We are not talking about the isolated cases where S. & G. didn't operate. We are talking about the cases where S. & G. did. You actually operated in approximately 200 locations, isn't that right?

Mr. COHEN. I wouldn't say that. I wouldn't know.

Mr. HALLEY. The average is 192. It includes, does it not, practically every hotel on the beach? We have a list here.

Mr. COHEN. I wouldn't say it includes every hotel. In reading Wilson McGee's article he named five other syndicates that were on Miami Beach. They are smaller.

Mr. HALLEY. They are much smaller?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. What I am trying to find out is why a bookie would be willing to pay S. & G. a telephone charge, a service charge, and then give up half of this profit? At least one bookie testified that he did it most reluctantly and only because he was persuaded that if he didn't do that, he would be continuously arrested until he was put out of business.

Mr. COHEN. That persuasion did not come on the part of the S. & G.?

Mr. HALLEY. He stated that it came from Mr. Rosenbaum, and that finally only at the intervention of Mr. Friedman, who was a friend of his, was he excused from the service charge and allowed to continue simply by splitting his profit with the S. & G.

Mr. COHEN. Mr. Halley, I don't want to be in the position of attempting to discredit a witness of yours, but Mr. Frenchie Gibbs has brought to my attention through others—and I know this is false. I want to put it straight, gentlemen. I know it is false. He says they had me doped up. I didn't know what I was saying. I didn't tell the truth.

Mr. HALLEY. He didn't testify before this committee that he was doped up.

Mr. COHEN. No, of course not. I think the man is thoroughly irresponsible. He said that on the outside after the meeting of the committee.

Senator WILEY. Who did he mean by "they" had him doped up?

Mr. COHEN. He didn't say who he meant, but his inferences were, they were so ridiculous that no one paid any attention to them.

Mr. HALLEY. Don't you think he was afraid of reprisals? For your information the committee had his statement as well as the statement of a great many other bookies considerably before that time, and there are no discrepancies. He was not doped by anybody before the hearing because his statement jibed very closely with previous statements made by him and other bookies.

Mr. COHEN. It sounded so ridiculous, his statement about being doped up, it wasn't worthy of repeating.

Mr. HALLEY. Of course he was just scared of reprisals. It is perfectly obvious.

Mr. COHEN. No, Frenchie was not scared of reprisals. Frenchie knows that nobody would hurt Frenchie, that he has lived off of all those boys for the past 25 years, on and off, either those boys or friends of those boys.

Mr. HALLEY. Somebody might arrest him and put him out of business.

Mr. COHEN. If he were to be granted immunity for the rest of his life and be allowed to go in the gambling business because he came down to the Senate investigating committee, then that is poor reasoning, I think.

Mr. HALLEY. Isn't that in fact what the business of S. & G. was? Let's get back to S. & G. Isn't it a fact that a great many of these bookmakers were in the bookmaking business and financing themselves quite satisfactorily before S. & G. was organized?

Mr. COHEN. No, I wouldn't say that.

Mr. HALLEY. There were bookmakers in Miami before S. & G. was formed, weren't there, a great many?

Mr. COHEN. Yes, I would say there were.

Mr. HALLEY. And they were operating. There weren't any noted cases of defaulting on their debts. The public was betting with them and they were paying off their bets.

Mr. COHEN. There were isolated cases of defaults in the payment of wagers, yes.

Mr. HALLEY. Then S. & G. was organized, and all of these bookies suddenly found themselves partners of S. & G.

Mr. COHEN. No. Let me explain that. S. & G. wasn't suddenly organized. S. & G. was just suddenly formed, which only meant the bringing together of three different factions. That was all.

Mr. HALLEY. Each of these factions had the wire service, did they not?

Mr. COHEN. No. Each of these factions purchased wire service.

Mr. HALLEY. And had an exclusive right to distribute it.

Mr. COHEN. Oh, no, no, no.

Mr. HALLEY. Can your bookies get wire service except through S. & G.?

Mr. COHEN. Oh, yes. Every one on Miami Beach.

Mr. HALLEY. How do they get it except through S. & G.?

Mr. COHEN. Why, the five names that were in the paper purchased their wire service and certainly did not have any business dealings with the S. & G.

Mr. HALLEY. There have been some people who managed to bootleg wire service.

Mr. COHEN. No.

Mr. HALLEY. The 191 locations got their wire service from S. & G., did they not?

Mr. COHEN. Yes, they did; but Mr. Halley, let me correct your thought, please. If you feel that S. & G. had a right to all of the wire service on Miami Beach, you are incorrect in your thoughts there.

Mr. HALLEY. No; it is perfectly clear that some other people also

had a deal, but isn't it also perfectly true that the individual book-maker couldn't get wire service; he had to come to you or to somebody else, and S. & G. managed to get the biggest slice of the monopoly?

Mr. COHEN. I will say this, that the concessionaires who dealt with the S. & G. found it was far cheaper to buy it from the S. & G. than to go to the service directly and buy it.

Mr. HALLEY. That is exactly right. The service was made exorbitant for them and it was simply impossible to get it directly.

Mr. COHEN. I wouldn't say that, Mr. Halley. When the service was paid quite a substantial amount for that service by the S. & G. I think in checking with Mr. Robinson it was something like \$10,000 a month at one time, wasn't it? Something like that.

Mr. HALLEY. It ran as high as that in the wintertime and it ran much lower at other times.

Mr. COHEN. Naturally, if they had 191 spots, they could apportion that off far cheaper than an individual could buy service himself. It is the same as your wholesale buying at the A. & P. or any other store.

Mr. HALLEY. They preferred to deal with a single distributor; is that right?

Mr. COHEN. When you say "they," you mean the wire service?

Mr. HALLEY. Yes.

Mr. COHEN. I wouldn't know what their plans were, but I imagine it would be better business if you could deal with a few than with a great many.

Mr. HALLEY. It is always better business to monopolize and keep the little fellow in a position where he has to come to you? Isn't that the best way to do business?

Mr. COHEN. No; from what I know of it, I don't see any connection between that at all.

Mr. HALLEY. What happened when the wire service was cut off in 1949? You recall it was cut off for a period of about 3 weeks.

Mr. COHEN. No.

Mr. HALLEY. We have the figures on it. It was cut off from the 20th of February until the 4th of March. That would be 2 weeks.

Mr. COHEN. Two weeks? They still got service.

Mr. HALLEY. Who still got service?

Mr. COHEN. The S. & G. got service.

Mr. HALLEY. Why did the S. & G. do no business during that period?

Mr. COHEN. They did business.

Mr. HALLEY. The records show that they did not do business. Their own records show that.

Mr. COHEN. Then you will have to ask Mr. Levitt about that. I wouldn't know the exact dates.

Mr. HALLEY. I show you a total in's by day from January to April 1949, taken from your own books, and ask you if it isn't a fact that during that period there were no in's?

Mr. COHEN. Where would the news be?

The CHAIRMAN. In the center column.

Mr. ROBINSON. Those are all in's.

Mr. HALLEY. Those are all in's.

Mr. COHEN. These are all in's?

Mr. HALLEY. Yes; total in's.

Mr. COHEN. I see. I would have no explanation for that. They must have been closed.

Mr. HALLEY. It would appear that they were closed.

Mr. COHEN. Yes, that is what it would make me believe from looking at this.

Mr. HALLEY. When S. & G. was closed, its bookies were closed?

Mr. COHEN. I would say that when the concessionaires closed there was nothing for the S. & G. to do.

Mr. HALLEY. They all closed because they had no wire service. Isn't that the fact?

Mr. COHEN. I wouldn't say it was because of no wire service.

Mr. HALLEY. You can't operate without the wire service?

Mr. COHEN. Yes, they can, but not as—you won't get as good a turn-over of money.

Mr. HALLEY. It is too dangerous without the wire service, isn't it? Unless you have the up-to-date results somebody is apt to come in and make a bet on the basis of the timing and just win too much money from the bookie.

Mr. COHEN. No, they couldn't do that.

Mr. HALLEY. They just don't operate without wire service, do they?

Mr. COHEN. They can.

Mr. HALLEY. But they don't.

Mr. COHEN. I wouldn't say that they don't.

Mr. HALLEY. They didn't when your service was cut off. Let's put it that way.

Mr. COHEN. Let's say they didn't, all right, but they can.

Mr. HALLEY. There is another reason, isn't there, besides the wire service that a bookie would want or have to deal with S. & G.?

Mr. COHEN. No other reason that I know of.

Mr. HALLEY. Isn't it generally reputed in Miami Beach that the S. & G. bookies are permitted by the local police department to operate, they are not shut down?

Mr. COHEN. I couldn't say that that is the reputation of the general talk, because they have been shut down on numerous occasions.

Mr. HALLEY. Yes, they are arrested and they pay certain fines and then they continue operations.

Mr. COHEN. No, they close up, too.

Mr. HALLEY. That is the rare exception, is it not?

Mr. COHEN. No, it is not.

Mr. HALLEY. Didn't the S. & G. continue its one hundred and ninety-odd locations for a total of 6 years without appreciable interruption by the police?

Mr. COHEN. No, they did not, sir.

Mr. HALLEY. They started in 1944, didn't they?

Mr. COHEN. That is right.

Mr. HALLEY. In 1950 they were still operating a great many locations, despite a tremendous amount of pressure from all sources to shut down the gambling.

Mr. COHEN. It is true that they continued their operations in the financing of these bookies right up until 1950, but there had been times, many times, that they were closed and times when they were open, most of the time open.

Mr. HALLEY. That would depend on how great the heat was?

Mr. COHEN. That is correct. That is the yardstick, the amount of heat. You will find police officers at times will go—they go on active raids. What I mean is, they go out with axes and tear up a place.

Mr. HALLEY. S. & G. was able to control the heat, was it not?

Mr. COHEN. No, they were not.

Mr. HALLEY. S. & G. had friends on the Miami Beach council, did it not?

Mr. COHEN. When you say S. & G. had friends, that is a little indefinite. If you will ask me who, I will tell you that. Whenever you say S. & G.——

Mr. HALLEY. The Miami Beach is run by a city council, is it not?

Mr. COHEN. That is right, a city manager form of government. A city council with a city manager.

Mr. HALLEY. The city manager takes his instructions from the council, is that correct?

Mr. COHEN. Yes, sir.

Mr. HALLEY. The chief of police in turn takes his from the city manager.

Mr. COHEN. That is correct.

Mr. HALLEY. You have heard the testimony—I think you sat through the hearings in Miami?

Mr. COHEN. Yes.

Mr. HALLEY. That the chief of police said he either opened or shut the town depending on what the city manager told him to do. Is that correct?

Mr. COHEN. I don't want to say that is correct or not because that is not my best recollection.

Mr. HALLEY. Wasn't it testified, for instance, that when instructions went out to shut the town, Chief Short was able to go out and do it in 2 hours, and shut every bookie in Miami Beach, or practically every one?

Mr. COHEN. My recollection of Chief Short's testimony was that he said "I don't want to have anything to do with that." That was just like a hot potato and he didn't want to touch it.

Mr. HALLEY. That is exactly right. He left it to a man named "Perdue."

Mr. COHEN. That is correct.

Mr. HALLEY. Who is just an ordinary detective on the force.

Mr. COHEN. That is right.

Mr. HALLEY. He felt it was such a hot potato although he was chief of police, he didn't want to fool with it.

Mr. COHEN. He wanted to be chief of police of everything except booking.

Mr. HALLEY. How would you explain that?

Mr. COHEN. It is a little bit difficult to explain the other man's mind, Mr. Halley.

Mr. HALLEY. You appeared for S. & G. almost exclusively on their arrests for bookmaking, did you not?

Mr. COHEN. That is right.

Mr. HALLEY. You were the counsel not only for S. & G. but you appeared for all of these bookmakers?

Mr. COHEN. That is right, and quite a few that did no business with the S. & G.

Mr. HALLEY. You are a lawyer.

Mr. COHEN. Yes. I take any case they will pay me for.

Mr. HALLEY. Fine. Naturally. But you did the work almost exclusively of S. & G.?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. When these bookies were arrested you appeared in court for them?

Mr. COHEN. That is right.

Mr. HALLEY. You argued their case and arranged for their bail?

Mr. COHEN. No, I never arranged for their bail.

Mr. HALLEY. How was that handled?

Mr. COHEN. They would arrange their own bail and if they called me I said "Come up to the office and we will discuss it."

Mr. HALLEY. And that was occasionally done, is it not so?

Mr. COHEN. Not occasionally, quite often.

Senator WILEY. What is the size of the ordinary fine?

Mr. COHEN. They varied. Do you mean in our State courts or in our municipal courts there?

Senator WILEY. Both.

Mr. COHEN. In the State courts they ran at \$400 and costs. In the police court they started with \$200. The regular judge started with \$200—

Senator WILEY. Jail sentence?

Mr. COHEN. No. They always had an associate judge, and he wanted to show that he was doing something, so he would raise the price.

Senator WILEY. No jail sentence on a repeater?

Mr. COHEN. On repeaters, yes. In the criminal court of record, the customary thing that Judge Willard does is \$400 on the first offense, and \$600 on the second offense, and he says bring your grip for the third offense.

Senator WILEY. The fines paid in the municipal court went to the municipality, is that correct?

Mr. COHEN. That is correct, sir.

Senator WILEY. How much of the State fines went to the municipality?

Mr. COHEN. None.

Senator WILEY. What was the municipality's take in a year on the fines?

Mr. COHEN. I have no idea, sir.

Senator WILEY. May I ask a few more questions?

The CHAIRMAN. Yes, Senator.

Senator WILEY. I was interested in something you said previously. I think you said the S. & G. organization resulted out of a consolidation of three different interests, is that correct?

Mr. COHEN. That is correct, sir.

Senator WILEY. At the time they were operating individually, how many bookmakers did each control at that time or have connection with? Do you see what I mean?

Mr. COHEN. I couldn't state with positiveness, Senator, but I can venture a guess for you if you care to have it.

Senator WILEY. What is our guess?

Mr. COHEN. I would say that Mr. Rosenbaum had in the neighborhood of 30 or 40, that Sam Cohen had in the neighborhood of 50, and that the other three had in the neighborhood of 100.

Senator WILEY. Where was each getting his news?

Mr. COHEN. Each was purchasing separately from the wire service.

Senator WILEY. From the wire service. Were there any independent bookmakers at that time?

Mr. COHEN. Oh, yes.

Senator WILEY. How many in Miami Beach?

Mr. COHEN. I would say five or six more.

Senator WILEY. Just five or six?

Mr. COHEN. Yes.

Senator WILEY. After the consolidation how many did the consolidation do business with? I think you testified here to that. 191?

Mr. COHEN. Yes, sir.

Senator WILEY. How many independent?

Mr. COHEN. Still five or six more.

Senator WILEY. Just five or six.

Mr. COHEN. Five or six separate ones, yes.

Senator WILEY. Where did they get their news?

Mr. COHEN. From the wire service itself.

Senator WILEY. Did the independents have any connection with S. & G.?

Mr. COHEN. None whatsoever.

Senator WILEY. When these three were operating independently, did they get a take of 50-50, too?

Mr. COHEN. Yes, sir.

Senator WILEY. And the result of the consolidation, according to your own figures, was multiplication of bookmakers?

Mr. COHEN. That is right, sir.

Senator WILEY. In other words, you really accelerated the business?

Mr. COHEN. They had been competing—prior to this time they were interested in the spots, the concessionaires, and some of them had taken concessions or given the concessionaire considerable money. They were offering inducements. By consolidating the business they stopped them from competing against each other. They were the three big groups on Miami Beach. They got together to stop their own competition.

Senator WILEY. Apparently with the increase in number of bookmakers, the income increased correspondingly to S. & G., did it not?

Mr. COHEN. I would say so.

Senator WILEY. I suppose the record shows what their take was in years past. You have that?

Mr. COHEN. Yes, you have that.

Senator WILEY. What would it amount to in a year in round figures?

Mr. COHEN. I wouldn't know that, sir.

Senator WILEY. In Florida is there any way to gamble legitimately on races?

Mr. COHEN. Just at the race track.

Senator WILEY. And out of the race-track gambling the State gets a certain take?

Mr. COHEN. That is right, sir.

Senator WILEY. This was a way to circumvent the State's take, but apparently provided a way through the municipal court for the city to get a take.

Mr. COHEN. No. We, there, have a different theory of it, Senator. People will go to the race track who want to go. If you want to make a bet and don't want to go to the race track, you are not going out to the race track just to make a bet. We feel that the money that was bet at those places would not have reached the race track, that the people just wouldn't have wanted to go. Of course, there may be a fallacy to that reasoning, and it is a debatable question anyway on whether they would go. If a man was lying on the sands in front of the hotel, he just didn't want to go to the race.

Senator WILEY. I understand that. Just one or two other questions. The first. Is there any legitimate way that the bookmaker and the fellow who gambles with the bookmaker could pay the tax?

Mr. COHEN. No.

Senator WILEY. So there is no legitimate way that way. That has not been provided for. It is a sort of monopoly at the track.

Mr. COHEN. That is correct.

Senator WILEY. Why would these five independents still remain out in the cold and not join the S. & G. set-up?

Mr. COHEN. They didn't have to. They had their own.

Senator WILEY. I understand, but what is the advantage of it?

Mr. COHEN. I don't know what their advantage was. I don't know whether they were invited in. I just don't know why. They evidently wanted to be by themselves.

Senator WILEY. You claim that the advantage to those who joined the set-up was that you thought it reduced the overhead cost of the individual.

Mr. COHEN. That is right, but after they got together, Senator, they didn't go after the concessions at all. The concessionaire was the one who went for his own spots and they didn't have to lay out the money for the different concessions.

Senator WILEY. Do you mean to say the members of the S. & G. didn't go after the bookmakers?

Mr. COHEN. No; they didn't go after the concessions at all.

Senator WILEY. They did not go after them?

Mr. COHEN. No. We may be talking at different things. From your smile, I don't think you understand what I am trying to bring out and I am not answering your question.

When they got together they didn't attempt to purchase these concessions. They were not in the concession business. They had their fingers burned in 1944 when money was paid on concessions and then by presidential edict they had no racing on the tracks and they just couldn't get their money back. They decided then that they were not going to take any concessions at all, that they weren't going to have anything to do with it. If there was a gamble on whether anyone was allowed to operate or not operate, that was the gamble that the concessionaire took. He was in the gambling business.

Senator WILEY. I understand the situation to be this: That the five independents got 100 percent of the profit. Those that joined up with you people had to split 50-50 with you, is that correct?

Mr. COHEN. No. The five people never got 100 percent. They

always had concessionaires. What they did was advance the money for them, and they stopped all that.

Senator WILEY. Perhaps we didn't quite understand each other. When you say five independents, do you mean five independents like the S. & G. or do you mean five independent concessionaires?

Mr. COHEN. When you said five independents I thought you meant five members of the S. & G. I did have them confused. I did have them confused at this time.

The five separate independent people conducted a business similar to the S. & G.

Senator WILEY. How many concessionaires do they control?

Mr. COHEN. I don't know exactly, but I would imagine that they would control in the neighborhood of 100. There is approximately 350 hotels on the Beach. They would control approximately 150.

Senator WILEY. What are their names? Do we have that?

Mr. HALLEY. No, we don't. We don't know of any five.

Mr. COHEN. I would dislike vehemently to be the person to tell that. I wish you wouldn't ask me that, please. The papers in Miami. I would feel a lot better—

Senator WILEY. They are still in business, you mean?

Mr. COHEN. That is right.

Senator WILEY. You people have gone out of business for good?

Mr. COHEN. That is right. They can have it all.

Senator WILEY. Just why did you go out of business?

Mr. COHEN. Senator, we thought that we had five nice fellows who had lived there for 25 years. Each had his own family. They have turned out to be the worst monsters that ever lived. Capone is nothing to these boys now. He is small. We had war news the other day, but three-quarters of the page was S. & G. books raided by grand jury in Miami. Every one of these men, with the exception of Mr. Salvey and Mr. Rosenbaum, have children. Mr. Levitt's children are going to college. My brother's children are young. Leo Levitt, working for them, has children. Charlie Friedman has a son in college and another one about to go to college. With the publicity and the way they are painting these boys as the worst monsters in the world, they have them hooked up with prostitution, which the Lord knows they never had anything to do with, and with narcotics. They have had them hooked up with every, oh, abominable crime that you can think of. It is true that they have been law violators. Technically they may be. I may successfully defend them in that. I don't know. I understand you gentlemen are lawyers. You never can tell the outcome of a case. But they have never gone any farther than that. To fight the world, it isn't worth it.

Senator WILEY. When you spoke about the folks paying fines, you mean the individual concessionaires came in and paid fines?

Mr. COHEN. That is correct, sir.

Senator WILEY. Has S. & G. been called before the courts in any respect? Or paid any fine?

Mr. COHEN. No. There would never be any occasion for that, Senator, because they never accepted a bet.

Mr. HALLEY. You testified differently, that they took lay-off bets.

Mr. COHEN. Except on lay-off bets, yes.

Mr. HALLEY. Pardon the interruption. They were the big bets, though.

Mr. COHEN. Let me explain their offices at the Mercantile Bank Building. You have heard certain expressions read in the paper, big swank offices. Why weren't they raided? If they had been raided, Senator, there was not a thing of gambling there whatsoever, not one iota of anything. The same people who were yelling, "Why don't you raid the S. & G.?" know that there was nothing that could be done. Mr. Richards, who ran for the council, stood down in front of the S. & G. office across the street and said, "The day that I am elected, the next day I will raid these offices over here." He has not been there yet.

Senator WILEY. You said these other five independents, like the S. & G., if you want to call them that, had, in your mind, something over 100 concessionaries or bookmakers operating. Have they been arrested at times, too?

Mr. COHEN. No.

Senator WILEY. What?

Mr. COHEN. You mean the separate, who had offices? No; they weren't arrested.

Senator WILEY. You said the bookmakers came in and paid fines, and you would represent them.

Mr. COHEN. Yes.

Senator WILEY. If they were tied up with the S. & G. You said there were five other independent operators down there, like the S. & G., who had bookmakers tied up with them.

Mr. COHEN. Yes.

Senator WILEY. Have their bookmakers been brought in?

Mr. COHEN. Oh, surely.

Senator WILEY. So there has been no favoritism shown between your bookmakers and the other fellows' bookmakers?

Mr. COHEN. Oh, no. What I meant was the principals, the people who backed them financially, were not fined.

Senator WILEY. I understand. I just wanted to find out.

Mr. COHEN. No; there has been no favoritism on that.

Senator WILEY. Is there any evidence to show whether the S. & G., or any of the other independent guys like the S. & G., have been paying money to anybody for protection or for anybody?

Mr. COHEN. No, sir.

Senator WILEY. Thank you, Mr. Halley.

Mr. HALLEY. First of all, you keep insisting that you were simply financing these bookmakers. That is just not so, is it?

Mr. COHEN. Yes; it is so, Mr. Halley.

Mr. HALLEY. Your own books describe your bookmakers as your agents. It appears all over the books. We have taken transcripts of them.

Mr. COHEN. Yes. You can call them agents, you can call them concessionaires. It is just a name that you apply to them. But the principle of the business, Mr. Halley, was that they financed them. Their gambling operations were financed by the S. & G.

Mr. HALLEY. Isn't it a fact that what you are doing—I don't want to destroy any legal theory you may be trying to build for some prosecution you may have in mind, but isn't it a fact that you are just creating a set of legal conclusions that you hope to sustain?

Mr. COHEN. That, I think, is very correct.

Mr. HALLEY. When you get down to the fact, they shared the profits?

Mr. COHEN. Yes.

Mr. HALLEY. They shared in the expense or a lot of expense?

Mr. COHEN. Ultimately it wound up that they shared.

Mr. HALLEY. They even shared the fines that were paid?

Mr. COHEN. The fines did reflect in the net A's of the S. & G.

Mr. HALLEY. Ultimately, S. & G. shared in the fine?

Mr. COHEN. Ultimately it was a deduction against it.

Mr. HALLEY. That is right. They took the large bets as lay-off bets and handled them themselves?

Mr. COHEN. Yes; that is correct.

Mr. HALLEY. Of course, as Senator Kefauver points out, large lay-off bets were kept by S. & G.

Mr. COHEN. That is right.

Mr. HALLEY. They arranged for the wire service?

Mr. COHEN. That is correct.

Mr. HALLEY. And provided wire service?

Mr. COHEN. That is correct.

Mr. HALLEY. They arranged for counsel to represent these people if they were arrested?

Mr. COHEN. Yes. My bill was always sent to the S. & G., not to the individuals.

Mr. HALLEY. That is right. So when you concluded it was just a financing operation, that is a conclusion you would like to sustain in some litigation you have in mind. Let's just leave it there.

Mr. COHEN. That is very true, Mr. Halley.

Mr. HALLEY. Fine.

Senator WILEY. These other five that you have mentioned, have they operated, as far as you know, on the same plan? That is the usual way they operate throughout the country, is it?

Mr. COHEN. I wouldn't know about the country. I would know about Miami Beach. I think that is the same way they do there Senator.

Mr. HALLEY. Isn't it also a fact—I am sorry, had you finished Senator Wiley?

Senator WILEY. For the time being; yes.

Mr. HALLEY. Isn't it also a fact that S. & G. had a tremendous number of employees who serviced these various bookmakers in various ways?

Mr. COHEN. Oh, yes.

Mr. HALLEY. The payroll was about a quarter of a million dollars a year, isn't that right?

Mr. COHEN. I don't know the amount. The books would reflect it. It was quite a few.

Mr. HALLEY. Isn't it also a fact—I think we mentioned a little while ago—that Mr. Rosenbaum sat in a penthouse office at the Cromwell Hotel, where he would, through telephonic communication with other bookies throughout the country, try to check on whether somebody was trying to cheat by betting on a hot horse or a horse that they feared was fixed in some way?

Mr. COHEN. I wouldn't know that. I know Mr. Edward Rosenbaum was at the office at the Mercantile Bank Building.

Mr. HALLEY. You knew there was an office at the top of the Cromwell, didn't you?

Mr. COHEN. No; I didn't know that.

Mr. HALLEY. You never heard of that?

Mr. COHEN. I don't think I have heard of it. I have heard of a number of them. I have read them in the paper. The offices were supposed to be secret, but you could pick up the newspaper and find out where they were.

Mr. HALLEY. One other point you were talking about with Senator Wiley was competition on the beach. Looking through this list of hotels, you have mentioned there were something like 350 hotels on the beach.

Mr. COHEN. That is what I am informed.

Mr. HALLEY. Of course, they didn't all have bookies?

Mr. COHEN. There were very few that didn't, Mr. Halley.

Mr. HALLEY. The little fellows didn't, a great many of the little ones didn't have a bookie. You know that.

Mr. COHEN. I wouldn't say that. I would say that most of them did have.

Mr. HALLEY. Certainly they didn't all have bookies.

Mr. COHEN. No, not every hotel. I wouldn't go so far as to say that every hotel did. Mr. Halley.

Mr. HALLEY. Doubtless most of the hotels did.

Mr. COHEN. Yes, sir.

Mr. HALLEY. I think that Allenberg testified that the Robert Richter didn't have a bookie, at least in the last 2 or 3 years.

Mr. COHEN. They did have prior to that.

Mr. HALLEY. Prior to that, but not in the last 2 or 3 years. I think that is a rather large ocean-front hotel, isn't it?

Mr. COHEN. It is a nice hotel.

Mr. HALLEY. Of those that had bookies, the S. & G. had almost 200 of them tied up, is that correct?

Mr. COHEN. They gradually diminished, because—I think you have it at the peak season, the most that they had. I think if you will check back in later years, you will find that they dropped off and dropped off. They voluntarily dropped off because they were not profitable.

Mr. HALLEY. You had a lot of trouble in 1949 as a result of this cut-off of the wire service and other things?

Mr. COHEN. They weren't profitable.

Mr. HALLEY. Trouble made them unprofitable, didn't it?

Mr. COHEN. No. Mr. Halley, during the years 1946, 1947, and 1948, money was in more abundance and people bet more money. It has tightened up quite a bit, and a lot of those places weren't profitable, and they did just voluntarily refuse to service a number of them.

Mr. HALLEY. Looking at these places, though, with the exception of the Roney Plaza Hotel, which Frank Erickson had for a while but then went back to S. & G. what other really large or important hotel on Miami Beach was handled by your competition? I have been going through this. It seems to me that all the well-known, large hotels are on this list.

Mr. COHEN. I can think offhand of two big ones. The MacFadden-Deauville, which is considered a very nice hotel.

Mr. HALLEY. That is not exactly on the beach. That is up in what they call Surfside.

Mr. COHEN. It is on the beach. That is right in the heart of Miami Beach.

Mr. HALLEY. Isn't that called Surfside up there?

Mr. COHEN. Not the Macfadden-Deauville. That is at Sixty-second Street. The beach runs all the way up to Eighty-eighth.

Mr. HALLEY. Who has that hotel?

Mr. COHEN. I wouldn't know.

Mr. HALLEY. Do they have a book there?

Mr. COHEN. I would presume that they do have.

Mr. HALLEY. What other hotel can you think of?

Mr. COHEN. The Sherry-Frontenac.

Mr. HALLEY. Do they have a book there?

Mr. COHEN. I would presume so.

Mr. HALLEY. Are there any other large, well-known hotels that have——

Mr. COHEN. You are putting me in a position that I don't like to be in.

Mr. HALLEY. I know, but we are trying to establish the size of that control that S. & G. had.

Mr. COHEN. Let's say I just can't recollect. It is very distasteful to me to be in this position that you are putting me in, Mr. Halley.

Mr. HALLEY. We understand that, but the committee must get the facts and must see the operation. You understand that.

Mr. COHEN. I am not acquainted with all of the spots that the S. & G. had. I am not acquainted with them.

Mr. HALLEY. You have gone over the list. They certainly include practically all of the big——

Mr. HALLEY. Would you like to?

Mr. COHEN. No; I would rather not see it. I would much rather not see it.

Mr. HALLEY. Going ahead, then, to this wire service; S. & G. got its wire service from the Dade County News; is that right?

Mr. COHEN. I would presume if the check shows that, that is where they got it.

Mr. HALLEY. They also dealt with a man named O'Brien; is that right?

Mr. COHEN. I knew of Burns. I don't know of O'Brien.

Mr. HALLEY. Where was Burns? What was his company?

Mr. COHEN. I am afraid you are going to have to ask one of the boys on this stuff. I am not acquainted with that. I started to go down to see Mr. Robinson while he was there to get that information for him.

Mr. HALLEY. It was Intrastate News Service, wasn't it?

Mr. COHEN. That is right. It was not the Continental. What they did was have some other company lease it, and you had to buy it from that other company.

Mr. HALLEY. It was run by O'Brien and Haggerty?

Mr. COHEN. I don't know O'Brien, but I do know a Haggerty. I have seen Haggerty.

Mr. HALLEY. He was connected with your wire service?

Mr. COHEN. Not our wire service—his wire service.

Mr. HALLEY. The wire service you got, that you got from him; is that right?

Mr. COHEN. Yes; that is right.

Mr. HALLEY. That emanated from Continental News; is that right?

Mr. COHEN. I would believe that.

Mr. HALLEY. How were the charges made on the wire service?

Mr. COHEN. You mean how do they estimate what they charge you?

Mr. HALLEY. Yes.

Mr. COHEN. I couldn't answer that unless it might be on the fact of the number of places you have, they charge you for that amount.

Mr. HALLEY. They provided the service?

Mr. COHEN. They provided the service; yes, sir.

Mr. HALLEY. You also did a great deal of business with the telephone company; isn't that right?

Mr. COHEN. Yes, sir.

Mr. HALLEY. Who paid the telephone charges on the wires going to various bookmakers?

Mr. COHEN. Mr. Levitt will know more about that.

Mr. HALLEY. We have a check that would indicate that S. & G. paid them; is that correct?

Mr. COHEN. If the checks indicate that, they may have been paid by S. & G. and charged to the other places; I wouldn't know, but Mr. Levitt, who is in charge of the books, is here, and he could tell more about it than I could.

Mr. HALLEY. I have been curious if you have had conversations with the telephone company about the relationship because the back of the checks that we have seen indicate that on each check you have listed a great many telephone numbers. The telephone company must have realized there was something peculiar in the relationship.

Mr. COHEN. Mr. Halley, I don't know anything about it. In fact, when I tried to get my telephone, they put me on a four-party line, and I had an awful time getting off it.

Mr. HALLEY. That is you personally, but let's stay with S. & G. S. & G. operated during a period when telephones were fairly hard to get, as you have just indicated.

Mr. COHEN. Yes; that is true. I have no knowledge of the phone business.

Mr. HALLEY. The syndicate bookmakers got their phone service and they were able to operate, and got telephone service, is that right?

Mr. COHEN. They were able to operate; yes, sir.

Mr. HALLEY. It ran well over \$1,000 a month for telephone service alone.

Mr. COHEN. Whatever your books reflect, that is what it was.

Mr. HALLEY. Were there discussions with anybody in the telephone company about these bills that S. & G. was paying, covering, I would say, on one check I have here, check No. 1665, "Pay to the order of Southern Bell Tel. & Tel. Co. \$1,680," signed by Sam Friedman and Leo Levitt, dated November 22, 1948, estimating roughly, there are 50 telephone numbers listed on it. That would appear to me sufficiently out of the ordinary course of business so that it would require some discussion with the telephone company. Would it not appear that way to you?

Mr. COHEN. It would appear that way to me, too, Mr. Halley; yes, sir.

Mr. HALLEY. But you know of no such discussions?

Mr. COHEN. I know of no such discussion.

Mr. HALLEY. Then the day came when the five partners in S. & G. took in a sixth partner, is that right?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. And his name is Harry Russell?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. Would you tell the committee just what happened? Start at the beginning and give the committee the whole story.

Mr. COHEN. As I get it from the conversation with the boys, meaning the five members of the S. & G., Mr. Russell, who is from Chicago, had contacted quite a few of the owners of hotels on Miami Beach for the following year, approximately 20 of the better hotels—by “better” I mean those which were on the ocean front and had a large clientele—he was attempting to get those and start to operate by himself. He was going to service them himself. The members of the S. & G. had a meeting, and they decided that rather than have serious competition such as that, and due to the fact that they were also then thinking about going into the baseball business—they had never been in anything but the horses—they invited Mr. Russell to join them. He put up his money as the sixth partner.

Mr. HALLEY. When did Russell contact these twenty-odd hotels, in the summer prior to 1949?

Mr. COHEN. No. He was getting ready to have them—you usually do business with the hotels as the season closes.

Mr. HALLEY. When did he do this business with the hotels?

Mr. COHEN. He was doing that during the months of January and February.

Mr. HALLEY. Of 1949?

Mr. COHEN. Of 1949; yes.

Mr. HALLEY. He entered S. & G. in 1949?

Mr. COHEN. Yes; he did. They got hold of him, and he entered S. & G. on March 14. He gave them his check on the—I looked this up in order that I would be exact—March 31.

Mr. HALLEY. He made a payment for his entrance into S. & G., is that right?

Mr. COHEN. Yes. His money was to be used not for anything but working capital. He did not purchase an interest in any of the fixtures and things that they had.

Mr. HALLEY. How much did he pay?

Mr. COHEN. \$20,000.

Mr. HALLEY. Who arrived at that sum? Did you have any discussions with him?

Mr. COHEN. No; I did not.

Mr. HALLEY. You say that during the months of January and February he was contacting the Miami Beach hotels, is that right?

Mr. COHEN. That is correct.

Mr. HALLEY. Had he done it prior to that time?

Mr. COHEN. I don't know. It may have been in that neighborhood.

Mr. HALLEY. Did you seek Russell out, or did he seek S. & G. out?

Mr. COHEN. The S. & G. sought Russell out.

Mr. HALLEY. He never approached them?

Mr. COHEN. He did not approach them. They approached him.

Mr. HALLEY. There have been some strange circumstances surrounding it that don't quite jibe with your story. I would like to ask you a few questions about them.

Mr. COHEN. Go ahead, Mr. Halley.

Mr. HALLEY. Starting at the tail end, it appeared strange to me that if the story is that simple, Russell should be so loath to appear here before the committee and testify. He seems to be in great fear of reprisals of some type if he appears before this committee. He is apparently avoiding its service. Can you think of any reason why a man should fear to come before the committee and tell a simple story like that?

Mr. COHEN. Mr. Halley, I have had not more than one or two casual discussions with Mr. Russell in my life.

Mr. HALLEY. You don't know him well?

Mr. COHEN. No, I don't. I had never seen him prior to that.

Mr. HALLEY. You testified that there are other competing syndicates on Miami Beach; is that right?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. Do you know whether the other S. & G. members were friendly to Russell or particularly associated with him?

Mr. COHEN. In what manner, associated with him?

Mr. HALLEY. Socially? Were they friends of his in any particular way?

Mr. COHEN. I understand that Jules Levitt knew him.

Mr. HALLEY. Did he recommend him as the type of man you wanted in S. & G.?

Mr. COHEN. I would like to answer that this way: These boys have never wanted partners because they always prided themselves as being a home-town group. Russell had been a resident there for a number of years, not a permanent resident. He owned a home there, I understand. The boys never knew of the facts that the newspapers later brought out, that Russell was supposed to have some kind of mob connections.

Mr. HALLEY. They knew he came from Chicago? Everybody knew it.

Mr. COHEN. Does that mean that everyone from Chicago is a mobster?

Mr. HALLEY. We will get to that. They at least knew he came from Chicago?

Mr. COHEN. They knew he came from Chicago, yes, sir. They absolutely didn't know anything about any mob connections, and to this day don't believe he is connected. From what they tell me, his actions have not indicated anything like that.

Mr. HALLEY. Before we get into specific details about which I would like to ask you a few questions, isn't it a fact—you have mentioned here that all kinds of competition on Miami Beach, other syndicates, according to you, operate, and other bookmakers operate; and yet Russell, simply because, during the middle of a season when you were operating in perfectly fine fashion, simply because he saw a few hotel owners with a view toward doing something in the following season, you then and there, in the middle of the 1949 season, invited him into this heretofore closed syndicate. Doesn't that strike you as being a little peculiar?

Mr. COHEN. It isn't just as easy as you say, Mr. Halley.

Mr. HALLEY. I am sure it isn't.

Mr. COHEN. He had—and it looked like he would get—some of the best hotels on Miami Beach that are owned by Chicago people. The Kenilworth, which was not in Miami Beach, but which was serviced

by the S. & G., the Seaview, which was not in Miami Beach but was serviced by the S. & G., were Chicago-owned and presumably friends of Russell's. The Shellburn was Chicago-owned and presumably a friend of Russell's. The Sorrento was Chicago-owned and presumably a friend of Russell's. Russell had entree to the lucrative places on Miami Beach.

Mr. HALLEY. In other words, Russell had sought entree to the people from Chicago?

Mr. COHEN. That is right, and it seemed that they owned quite a number of places on Miami Beach that were of the better type.

The CHAIRMAN. If any of the press photographers want to take any pictures, they can do so.

Mr. HALLEY. Then at least Russell wasn't just a local boy, but he was a fellow who had peculiar influence over the hotel owners who came from Chicago; is that correct?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. Then it happened that on February 20, 1949, the wire service was shut off; is that correct?

Mr. COHEN. That is correct.

Mr. HALLEY. The wire service you have just testified you purchased from O'Brien and Haggerty and the Dade County News, and that they in turn got it from Continental; is that right?

Mr. COHEN. I would presume that is correct.

Mr. HALLEY. Did you presume that Russell, with his Chicago connections, had some way of influencing the news service, too?

Mr. COHEN. No.

Mr. HALLEY. Have you ever investigated to find out why the wire service was suddenly cut off in the middle of a season, right at the height of the season?

Mr. COHEN. I did not investigate that, no.

Mr. HALLEY. The fact is, though, that it was resumed on March 4, and 10 days later Russell was a member of the S. & G. Syndicate?

Mr. COHEN. That is correct.

Mr. HALLEY. There is no doubt in your mind about that?

Mr. COHEN. No; there is no doubt about that.

Mr. HALLEY. Certain other things happened about that time. A man named Crosby appeared on the beach and did some investigating; is that correct?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. I have just seen a statement from the Governor, saying that Crosby had attempted to make some arrests and he had no power to make arrests, but was simply to report violations to the sheriff; is that right?

Mr. COHEN. I wouldn't doubt the Governor. If he said that was his authority, I would presume it is correct.

Mr. HALLEY. So the fact is that Crosby moved about on the beach and tried to spot bookmaking establishments and have them raided; is that correct?

Mr. COHEN. From the testimony that I heard, he would spot the places and bring the deputy sheriff there, because he didn't have the authority to make an arrest.

Mr. HALLEY. That is right. The places he spotted were your S. & G. bookmakers, weren't they?

Mr. COHEN. Yes, they were. They were people who dealt with the S. & G.

Mr. HALLEY. This was what we have previously referred to as heat, wasn't it?

Mr. COHEN. It is heat, all right.

Mr. HALLEY. It is not very good when, in the middle of a season, your bookmakers are being raided and pulled in before the police and fined?

Mr. COHEN. It is not conducive to good business.

Mr. HALLEY. That also was happening just prior to the time that you took this fellow Russell into your business; isn't that right?

Mr. COHEN. Yes; it is about the time that they took Russell into the business.

Mr. HALLEY. Did you hear the testimony of this investigator that the governor sent down, Crosby, that Russell was tipping him off as to the location of these places?

Mr. COHEN. No. That was the evening you allowed me to go home. I didn't hear his testimony.

Mr. HALLEY. I shouldn't have been soft-hearted, Mr. Cohen. Crosby did so testify.

Mr. COHEN. Yes; I read that in the paper.

Mr. HALLEY. So we have the further strange coincidence that this investigator appeared, and he was tipped off by Russell as to the particular S. & G. locations where he might make an arrest; is that correct?

Mr. COHEN. That is correct; yes. I don't believe it, though.

Mr. HALLEY. You don't believe it?

Mr. COHEN. No. I don't think Russell did that.

Mr. HALLEY. Mr. Crosby so testified under oath, didn't he?

Mr. COHEN. We have a right to believe what we care to believe. I just can't believe that Russell would do that.

Mr. HALLEY. You mean you don't care to believe it?

Mr. COHEN. I can't believe that a man in that business would do that.

Mr. HALLEY. He was trying to cut into your hotel group up there.

Mr. COHEN. No; I didn't say that. He was trying to go in business by himself.

Mr. HALLEY. He was trying to take hotels away from you, locations away from you.

Mr. COHEN. He was trying to take away locations that had been dealing with the syndicate, that is true, but to resort to something like Crosby—

Mr. HALLEY. It would be pretty mean?

Mr. COHEN. Yes; it would be pretty low.

Mr. HALLEY. It would hurt where it might affect your business?

Mr. COHEN. Yes; that is true, Mr. Halley.

Mr. HALLEY. You have said that you didn't know anything about Russell's Chicago connections; is that right?

Mr. COHEN. Definitely right, sir.

Mr. HALLEY. Have you ever heard of Tony Accardo?

Mr. COHEN. Never in my life.

Mr. HALLEY. Are you quite sure of that?

Mr. COHEN. I am positive of that.

Mr. HALLEY. Isn't it a fact that the S. & G. Syndicate, during the fall of 1948, purchased a boat?

Mr. COHEN. If they did, I didn't know anything about it. I know they have a boat.

Mr. HALLEY. What is the name of the boat?

Mr. COHEN. I have never been on it. I have never seen it.

Mr. HALLEY. Isn't it a fact that that boat is called the *Flamingo*?

Mr. COHEN. Yes; I think you are right.

Mr. HALLEY. Previously it was called *Mary Jo*.

Senator WILEY. What kind of boat is it?

Mr. COHEN. From what they tell me, it is a pretty nice one, Senator. It is a Chris-Craft, 40 feet long, and a real nice boat. In fact, they have it up for sale, now. It is one of the assets of the S. & G. that they are trying to dispose of.

Mr. HALLEY. Isn't it a fact that the S. & G. bought that boat from Tony Accardo?

Mr. COHEN. Mr. Halley, I knew nothing about the boat, when they bought it. They didn't come to me to close any deal on it. I have no recollection of ever having anything to do with the boat.

Mr. HALLEY. I show you photostatic copies of two checks, No. 2700 and 2701, dated, respectively, February 2, 1950, and February 9, 1950, and I ask you if these aren't checks of the S. & G. Syndicate payable to Tony Accardo?

Mr. COHEN. Yes; they are, and they are signed by the same people who pay me.

The CHAIRMAN. \$5,000 each.

Mr. COHEN. That is correct, sir.

Mr. HALLEY. Isn't it a fact that the total purchase price of this boat was \$20,000?

Mr. COHEN. I don't know, sir. The records would reflect that.

Mr. HALLEY. If the records so show?

Mr. COHEN. I would say that is correct.

Mr. HALLEY. Haven't you ever been told that Harry Russell was an associate of Tony Accardo's in Chicago?

Mr. COHEN. Never in my life. In the first place, the name Tony Accardo wouldn't mean anything to me, because I don't know of him, I never heard of him, and I still don't know who Tony Accardo is.

Mr. HALLEY. You have heard that he is a well-known Chicago gangster, haven't you, with a long police record, gambler and member of the Capone syndicate?

Mr. COHEN. Mr. Halley, you may think this odd, but I never read the papers about any murders. I don't care to read about those things. I never read about gambling things, because I know sometimes they are colored a lot. I can definitely swear, without fear of any repercussions, that I have never heard of Tony Accardo or Arcardo, whatever it is, until this present time.

Mr. HALLEY. This fellow Russell gets into the S. & G. Syndicate in March of 1949?

Mr. COHEN. That is correct.

Mr. HALLEY. And a few months later, 6 months, in October of 1949, S. & G. buys a boat from Tony Accardo, whom you, at least, had never previously heard of, is that right?

Mr. COHEN. That is correct.

Mr. HALLEY. You are quite familiar with the affairs of S. & G.; you have been pretty close to its members for several years, haven't you?

Mr. COHEN. They are all dear friends of mine that I have known for 25 years.

Mr. HALLEY. If Tony Accardo was one of their group, you would have known about it in all probability, wouldn't you?

Mr. COHEN. The S. & G.?

Mr. HALLEY. Yes.

Mr. COHEN. Certainly I would have known about it.

Mr. HALLEY. If they used his name and referred to him as a friend, you would have heard of him?

Mr. COHEN. That is right, that is right.

Mr. HALLEY. Isn't it a fair presumption, then, that any relationships between the S. & G. and Tony Accardo resulting in the purchase of this yacht would be a result of Russell's association with the S. & G.?

Mr. COHEN. I would say that they probably wanted to buy a boat. They had a boat prior to that, a smaller one, but that boat was probably available and they purchased it.

Mr. HALLEY. It is a pretty nice boat, I understand: is that correct?

Mr. COHEN. So I have been told. I have never been on it. On the plane coming up, I was with Mr. Rosenbaum, and he happened to meet a man, we happened to meet a man, who had just purchased a place in Nassau. Rosenbaum built this boat up very, very highly, because he was trying to sell it to the man. I imagine it is a nice boat. He explained that it had a ship-to-shore telephone on it, that it was 40 feet, had four staterooms in it, and just every modern convenience there was to a boat. It was a Chris-Craft and could do, I think he said, 30 miles an hour, or something like that.

Mr. HALLEY. The boat certainly seems to be a real boat, and probably a nice one. Yet there is the strange coincidence that the price for the boat is exactly the price that Harry Russell paid S. & G. Syndicate for his membership. I have been wondering if you could throw any light on that coincidence.

Mr. COHEN. I don't think that can be reconciled with each other. I know that can't be.

Mr. HALLEY. You wouldn't think there is any relationship?

Mr. COHEN. Definitely not.

Mr. HALLEY. Going ahead on the circumstances surrounding Russell's coming into the S. & G., this wire service went off quite suddenly on February 20, isn't that right?

Mr. COHEN. I presume so.

Mr. HALLEY. Then you continued to operate for some time after the wire service went off, by getting the racing news bootlegged from another area, didn't you?

Mr. COHEN. I think they did.

Mr. HALLEY. Friends of the S. & G. in another area provided telephone service to S. & G.; isn't that correct?

Mr. COHEN. I think that is correct, Mr. Halley.

Mr. HALLEY. Then one day, over the wire, there came a statement saying that whoever was providing the information to S. & G. would have to stop it within half an hour, or the wire service for the entire southern part of Florida would be shut off. Isn't that right?

Mr. COHEN. I couldn't say that that is right. I don't know. It may be, but I don't know.

Mr. HALLEY. In any event, the wire service was shut off?

Mr. COHEN. Shut off from the entire State.

Mr. HALLEY. And then you couldn't get it at all, for a period?

Mr. COHEN. Not from them. They got it.

Mr. HALLEY. You didn't get it. Your books show no in's.

Mr. COHEN. They probably didn't do business, but they did make arrangements to get additional service.

Mr. HALLEY. Apparently it was so unsatisfactory that they just did no business.

Mr. COHEN. That is right.

Mr. HALLEY. Would you agree to that?

Mr. COHEN. Yes.

Mr. HALLEY. Then you had to renegotiate with this wire service; isn't that right?

Mr. COHEN. I don't know whether they renegotiated or not. The records would probably show what the price was and—

Mr. HALLEY. In addition to all of that, isn't it a fact that you had certain discussions with a Mr. Rush, an attorney in Jacksonville? He was retained, wasn't he, by the S. & G. Syndicate?

Mr. COHEN. He was retained by me, for attempting to get legalized gambling into Florida.

Mr. HALLEY. How did you get interested in this legalized gambling matter?

Mr. COHEN. I personally have never been for legalized gambling. Let me explain. I felt that if a legalized gambling bill were drawn up in which Miami Beach boys would be taken care of for Miami Beach it would be so much better for them to be 1,000 percent within the law than without the law; that it would give them a franchise the same as the race tracks had; it would increase the take to the State; it would bring in, as the figures will show, a great amount of additional revenue to the State of Florida. I can't say that my ideas on the legalized gambling were strictly one of good citizenship. I can't say that they were strictly that. Because I did want to see these boys in that business, too. My interest was somewhat divided, but I thought that the State would be served properly and they would be well served if they could get the right to conduct that business, especially on Miami Beach.

Mr. HALLEY. That represented a change of mind on your part, didn't it?

Mr. COHEN. No.

Mr. HALLEY. You said originally you had been opposed to legalized gambling.

Mr. COHEN. In my mind, I still feel it is bad.

Mr. HALLEY. Nonetheless, you went over onto the side of legalized gambling sufficiently strongly to retain Rush?

Mr. COHEN. At their instance.

Mr. HALLEY. At whose instance?

Mr. COHEN. The instance of the S. & G.

Mr. HALLEY. In 1949?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. In the spring of 1949?

Mr. COHEN. That is correct.

Mr. HALLEY. Wasn't there some connection between your change of heart and your ability to get this bootleg wire service?

Mr. COHEN. I don't understand that question.

Mr. HALLEY. Didn't you call somebody in for help in your struggle to maintain your wire service and keep the S. & G. from going out of business? Didn't you at that time make a deal whereby, in return for help in the fight to keep the wire service, you would support somebody else in an effort to get legalized gambling?

Mr. COHEN. No. There was no one to support. There were no elections coming up.

Mr. HALLEY. Wasn't there a man named Raymond Craig, who was a very well-known bookie in Miami?

Mr. COHEN. Yes. I know Raymond Craig.

Mr. HALLEY. He pretty well controls bookmaking across the bay in Miami, doesn't he?

Mr. COHEN. I wouldn't say that he controls it, but he is in that business there in a substantial way.

Mr. HALLEY. Didn't you have discussions with Craig about this legalized gambling bill?

Mr. COHEN. Oh, yes; many of them.

Mr. HALLEY. Didn't he induce you to support his legalized gambling??

Mr. COHEN. No. I met Craig in this particular venture after I had been to see Mr. Rush.

Mr. HALLEY. Are you sure of that?

Mr. COHEN. I am positive of it, because I had not discussed—after I had gotten a draft of the bill from Rush and didn't like it and sent it back to him with corrections—

Mr. HALLEY. When did you first hire Rush?

Mr. COHEN. Two days prior to the date the check was given.

Mr. HALLEY. Wasn't that check March 25, 1949?

Mr. COHEN. That is correct.

Mr. HALLEY. Then you hired him March 23, 1949?

Mr. COHEN. That is correct.

Mr. HALLEY. You paid him at that time \$10,000, is that right?

Mr. COHEN. That is correct.

Mr. HALLEY. A check drawn by the S. & G.?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. He has testified that you were to pay him an additional \$10,000 if the bill went through.

Mr. COHEN. That is correct.

Mr. HALLEY. He testified he was to do nothing but draft the bill.

Mr. COHEN. We expected more of him.

Mr. HALLEY. What do you mean?

Mr. COHEN. I knew that Rush was quite interested in the governor's campaign, that he had done some legislative work for the race tracks, and I felt that if we had him on our side it would help. The additional \$10,000 was more of a bonus in getting him really to do some work.

Mr. HALLEY. You certainly feel that merely drafting a bill would not be worth \$10,000 or \$20,000?

Mr. COHEN. To tell you the truth, no. I could have drafted it just as well.

Mr. HALLEY. In about 10 minutes?

Mr. COHEN. No, I wouldn't say 10 minutes. Let's say I am not that good an attorney. It would take me an hour or 2.

Mr. HALLEY. So when you paid Rush \$10,000, and agreed to pay him \$10,000 in addition to that if successful, at least in your mind was the thought that he would do a lot more than draft the bill?

Mr. COHEN. That was the inducement for the other \$10,000. You don't go to a man and insult him right to his face, but you put it to him in a pleasant way and expect some help, and hope that the inducement will be large enough that he will exert himself. I imagine the additional \$10,000 would have meant quite a bit to Mr. Rush, as it would to anyone.

Mr. HALLEY. Maybe it will refresh your recollection. You paid Rush, March 23, 1949?

Mr. COHEN. That is right.

Mr. HALLEY. Your wire service was cut off the latter part of February 1949?

Mr. COHEN. That is correct.

Mr. HALLEY. Isn't it Craig who gave you the bootleg wire information for Miami?

Mr. COHEN. I would have no knowledge, but I don't think there ever has been any too much friendship between Craig and the S. & G.

Mr. HALLEY. I know, but wasn't there a deal made that you would help Craig by financing this—

Mr. COHEN. No.

Mr. HALLEY. This pet bill of his; and it was his pet bill, wasn't it? Even Rush so testified.

Mr. COHEN. That didn't make it his pet bill. The S. & G. was just as anxious to get that passed as Mr. Craig was. We made—my discussion with Craig was that if it were passed, I wanted to make sure he wouldn't come over to Miami Beach. He was positive that the S. & G. boys wouldn't go over to Miami, but I wasn't so positive that he wouldn't come over to Miami Beach.

Mr. HALLEY. Where did you get your bootleg wire information after the wire service shut down?

Mr. COHEN. I wouldn't know that. I don't know what the situation was.

Mr. HALLEY. Can you find out now? Ask whoever would know it.

Mr. COHEN. Will you excuse me?

(The witness left the stand to confer, and returned.)

Mr. HALLEY. Do you have that answer?

Mr. COHEN. Yes, I have sir. They sent a boy to New Orleans, and he got the service and telephoned it in to them.

Mr. HALLEY. You didn't get any from Miami?

Mr. COHEN. Not from what they tell me.

Mr. HALLEY. Why weren't you able to continue, then, after the wire service for Florida was cut off? If it worked that way, you would be able to keep right on getting it from New Orleans. It doesn't make sense, that is all.

Mr. COHEN. Yes, it does.

Mr. HALLEY. You were getting bootleg wire service from New Orleans, you say?

Mr. COHEN. That is what I have been informed.

Mr. HALLEY. Then comes the day when they shut off the wire service for the whole State of Florida, and S. & G. would have been in fine shape. You would have kept right on getting it from New Orleans.

Mr. COHEN. I would suggest—I have to go ask them. I would suggest that when Mr. Levitt comes up—

Mr. HALLEY. I think we had better hold that question, because we are not getting anywhere with this New Orleans idea at all. It just can't be right.

I will ask you if it isn't the fact that you had a conversation with Craig, and that Craig agreed to help you fight the Chicago interests on this wire service, and that you agreed, in return, to help him on his campaign to have legalized betting; that as a result, you were sent to Rush; and if, as a result of that, you didn't pay Rush off with \$10,000 and the promise of another \$10,000?

Mr. COHEN. Definitely not. That is not correct.

Mr. HALLEY. Rush is known to be counsel for William H. Johnston, is he not?

Mr. COHEN. That is right, sir.

Mr. HALLEY. And Johnston is the man who I believe is here to testify for himself. He has been reported as having made a very large contribution to the gubernatorial campaign, is that correct?

Mr. COHEN. That is correct.

Mr. HALLEY. In 1948?

Mr. COHEN. That is correct.

Mr. HALLEY. I believe you have heard testimony that this investigator who was in Miami Beach, Crosby, was at least acquainted with both Rush and Johnston. Is that right?

Mr. COHEN. I read that in the paper, yes, sir.

Mr. HALLEY. I believe—would it be true to say you have had no previous business dealings with Rush?

Mr. COHEN. That is correct.

Mr. HALLEY. Right after this entry of Russell into the S. & G. you went up to Jacksonville and retained Rush?

Mr. COHEN. No, not right after, Mr. Halley—

Mr. HALLEY. Just about the same time?

Mr. COHEN. No. According to that, it was 14 days later, or 10 or 12 days later. Our legislature meets in April. They met in April of that year. I went to see Mr. Rush approximately a week before the session of the legislature.

Mr. HALLEY. You took a trip up to Jacksonville as early as the 14th of March, right in the middle of the time that the wire service was off, 10 days later?

Mr. COHEN. I don't think so.

Mr. HALLEY. We find a record of transportation for three people from Miami to Jacksonville, March 14. Would that throw any light on it?

Mr. COHEN. Service was on March 14, wasn't it, Mr. Bailey?

Mr. HALLEY. Yes, it had been resumed.

Mr. COHEN. There was no connection between that legalized bill and the service. There was no connection. This would have been something—the idea of the bill was that 3 percent would go to the agent. Whenever you can be in a business and get 3 percent of what you handle—you know what the handle was that they reported.

Mr. HALLEY. \$26,000,000 in 1948.

Mr. COHEN. All right, 3 percent in good, clean, legitimate business where nobody can point a finger at you, that is a real nice income for

them if we could have gotten something like that passed. The State would have enjoyed far greater benefits.

Mr. HALLEY. But you did nothing about it? You never took any move toward getting legalized betting until March of 1949?

Mr. COHEN. Oh, yes. I took a trip up to Tallahassee and saw Rush there.

Mr. HALLEY. When?

Mr. COHEN. During the session of the legislature.

Mr. HALLEY. Prior to March of 1949?

Mr. COHEN. They meet in April, Mr. Halley, and they meet every 2 years.

Mr. HALLEY. You retained him in March of 1949?

Mr. COHEN. That is correct.

Mr. HALLEY. That was your first interest in it?

Mr. COHEN. You asked me if I did anything after that. Yes.

Mr. HALLEY. Prior to it.

Mr. COHEN. Prior to it, no.

Senator O'CONOR. Was the bill introduced?

Mr. COHEN. Yes.

Senator O'CONOR. Did it meet with any favor? Did it proceed very far?

Mr. COHEN. No; it didn't get too far in the house. There were many proponents, and then I don't know what happened to it. They just couldn't get it passed through the house, and they forgot about it. It was tied up with the sales tax, and you couldn't get to anything on the agenda. They just couldn't reach it. We were in bad shape on taxes in Florida the last 3 weeks of the session, anyway.

Mr. HALLEY. Do the S. & G. members, or any of them, have an interest in any other gambling establishments? I refer to places like Sunny Isles, Club Collins.

Mr. COHEN. No; not Club Collins.

Mr. HALLEY. You would say no as to Club Collins?

Mr. COHEN. Club Collins at one time was a concessionaire for the S. & G. but they have no interest in the Club Collins. There are some members who have an interest in the Sunny Isles. My brother has an interest in the Island Club.

Mr. HALLEY. Sunny Isles and Island Club are gambling establishments, is that right?

Mr. COHEN. They have restaurants, and they do have gambling.

Mr. HALLEY. Craps and roulette, and things of that type?

Mr. COHEN. That is correct, sir.

Mr. HALLEY. In certain years they have been extremely lucrative, with the net profit going up into the hundreds of thousands, is that right?

Mr. COHEN. That I wouldn't know.

Mr. HALLEY. You do know they have been very lucrative from time to time?

Mr. COHEN. Mr. Halley, I wouldn't know anything about that. I haven't been in the Sunny Isles Club, I would say, five times in my life.

Mr. HALLEY. You do have a participation in your brother's interest in S. & G., don't you?

Mr. COHEN. I would rather not discuss that, if you don't mind. I am under income-tax investigation, and I would rather not discuss it. I would like to claim privilege on that particular question.

Mr. HALLEY. We won't go into that point now. The committee record has already been made on that point, I believe.

Mr. COHEN. Yes; I know it has.

Mr. HALLEY. With the committee's agreement, I won't press it.

The CHAIRMAN. I think Mr. Cohen shouldn't discuss that matter.

Mr. HALLEY. How do you account for the fact that S. & G. has been allowed to operate unmolested on Miami Beach?

Mr. COHEN. Why do you say "unmolested"?

Mr. HALLEY. Because, with the exception of paying certain fines which enabled the city government to collect revenue, S. & G. has been able to keep its bookmakers in business.

Mr. COHEN. Mr. Halley, up until the time Frank Erickson went to jail here, I don't think they ever had a conviction in New York on bookmaking. So the record states.

Mr. HALLEY. Let's stick to the place we are working the facts up on. We will get to New York in due time.

Mr. COHEN. What I mean is this: The concessions were arrested.

Mr. HALLEY. And they paid a fine and went right back into business.

Mr. COHEN. Yes; that is right.

Mr. HALLEY. You have heard the testimony of Sheriff Burke that on at least two occasions when he went to make arrests with this man Crosby, the special investigator, you were there either simultaneously with the investigators or immediately afterward.

Mr. COHEN. His testimony was not that I was there simultaneously, as I remember it, and it could not have been. I received telephone calls from Mr. Levitt on each occasion, I think it is Mr. Levitt on each occasion, and whenever I went to the place at 1:50 where Mr. Crosby was, and I found out that they had broken down the door in order to get in there, I told them to go ahead, I didn't care if they arrested them. It was going to make more money for me, because it was thoroughly an illegal arrest. Where I am successful in getting men off, I don't care how many they arrest.

Mr. HALLEY. Isn't it a fact that you managed always to be on the scene of these arrests practically as soon as they occurred?

Mr. COHEN. Mr. Halley, how could I manage that? I have a general law practice.

Mr. HALLEY. The chief of police testified that on the one occasion when he tried to organize a raid, you would beat him to the scene.

Mr. COHEN. I don't know where that could be.

Mr. HALLEY. Chief Short so testified.

Mr. COHEN. No; I don't think so. I think one of us is wrong on that.

The CHAIRMAN. I think he said, when he got there, he found "The Voice" already there.

Mr. COHEN. The what?

The CHAIRMAN. "The Voice," and you were "The Voice."

Mr. HALLEY. The mouthpiece. [Laughter.]

Mr. COHEN. I don't think you gentlemen got the right thing there. He said he went to raid the Club Collins, and someone had tipped them off. He didn't intimate that I tipped them off, but I did represent them in court the next day, and they were all dismissed. He said that he thought someone had told them that he was going to be there, and they were apparently sitting around tables doing nothing.

Mr. HALLEY. The indications appear to be that these arrests were always on a very cozy basis; that you had a pretty good idea who was going to be arrested and when, and when you appeared in court you had a fairly good idea of what the opinion would be and what the disposition would be.

Mr. COHEN. Oh, no; that can't be.

Mr. HALLEY. Have any of your bookmakers ever had a substantial jail sentence imposed when you represented them?

Mr. COHEN. Let's say that there has never been a good stiff jail sentence imposed at any time, whether I represented them or whether John Doaks represented them. They just didn't give them.

Mr. HALLEY. But you have never had a stiff sentence?

Mr. COHEN. No. There have never been any stiff sentences given.

Mr. HALLEY. At any time?

Mr. COHEN. Not that I know of.

Mr. HALLEY. Would you say nobody ever received a substantial jail sentence in the last 5 years in Miami Beach?

Mr. COHEN. No one has received a stiff jail sentence for gambling in the last 5 years.

Mr. HALLEY. By "stiff," would you mean, say, 30 days or more?

Mr. COHEN. Any jail sentence.

Mr. HALLEY. Any jail sentence. Have any of your people received any jail sentence at all?

Mr. COHEN. No.

Senator O'CONNOR. May I ask a question right there. Was there any inquiry made in connection with any of these prosecutions as to the connection of the S. & G. in the furnishing of essential information for the continuation of the bookmaking operation?

Mr. COHEN. There was never any.

Senator O'CONNOR. Apparently there was not very much secret about the fact that the S. & G. was doing an extensive business in furnishing the information; was there?

Mr. COHEN. That is correct, sir.

Senator O'CONNOR. The reason I say that: there are four checks I have picked up here at random which totaled for 4 months' bills, each for a month, and which in the aggregate are \$5,000 or more; on the back of the checks are listed all the telephone numbers, as Mr. Halley has indicated. On one I happened to count 74 telephone numbers on the back of the check. That certainly was notice to a great many people in and out of the telephone company that the S. & G. had quite an extensive operation.

Mr. COHEN. That is correct. It was common knowledge and in the newspapers, Senator.

Senator O'CONNOR. That is right.

Did you ever discuss it at all as counsel for S. & G. with any of the telephone company operators?

Mr. COHEN. No; I never knew anyone down there, Senator.

Mr. HALLEY. You were personally acquainted with the chief of police, of course?

Mr. COHEN. I believe I have personally known every chief of police who has been down there for the past 25 years.

Mr. HALLEY. And you were personally acquainted with the one-man vice and gambling squad, Perdue?

Mr. COHEN. Yes, sir.

Mr. HALLEY. In fact, you have a former law associate on the bench; do you not?

Mr. COHEN. Yes. There was a young man in my office who, when he got out of school, came into my office, went off to war, and when he came back he opened his own law office. I believe I was instrumental in getting him put on the bench there.

Mr. HALLEY. How would you be instrumental? What is the nature of your influence there?

Mr. COHEN. They are appointed by the city manager. I think this is an appointment of the council, and I am acquainted with certain members of the council, and I go to them and try to propound the good qualities of the individual.

Mr. HALLEY. S. & G. had very good relations with the city council; did it not?

Mr. COHEN. I had good relations with them.

Mr. HALLEY. In fact, you attempted at one point even to have the city move part of its city-hall offices into an S. & G. building; isn't that a fact

Mr. COHEN. No; that is not a fact.

Mr. HALLEY. Richards so testified and said that he finally stopped it.

Mr. COHEN. Let me tell you, Richards testified to a lot of things that I claim are perjury. Richards testified that he saw me at a restaurant, the first time he had seen me there, and I sat down to a table and started to expound the good qualities of the S. & G. boys, when he knew that was a deliberate lie. The Miami Beach Bar Association used to meet at this restaurant, known as Murphey's Restaurant, every 2 weeks. I was president of the Miami Beach Bar Association at that time. I came in late, and someone else was conducting the meeting. The vice president was conducting the meeting. I took the first chair that was closest to me, so I wouldn't disturb the meeting. I sat down beside Red Snedeker, who is now county commissioner. I have known Richards for quite a while. In fact, I have notified Richards—this is a long while past—that I no longer care to have a telephone conversation with him; that I didn't trust him, and that if he wanted to communicate with me in any way to write me a letter and I would answer that letter. This happened after an election. My argument with Richards was that he said to the public "I am not against gambling," and later he said "I am for the enforcement of all laws." At the table I said, "Mel, how can you reconcile the fact that you are not against gambling but you were for the enforcement of all laws? How can you reconcile the two?"

He said, "Well, I tell you, I am not against the race track. I am not against the dog track."

That hit me by surprise; how a man could tell you that.

I said, "You are dishonest in mind. If that is what you meant, why didn't you tell the people that?"

Mel Richards didn't run on a campaign of being against gambling. All he said was that he would eliminate the S. & G. He didn't say anything about any other organization or any other group.

Mr. HALLEY. Is it possible in your own mind that S. & G., considering its business and the fact as you said that their operations are illegal, may have welded just too much power for the good of the community;

that you, with your ability, could persuade, as you have said, the city manager that a former law associate of yours would be a good judge; that you, as head of the bar association—I think there has been testimony that Salvey and Burbridge, one of the city councilmen, have had extensive business transactions——

Mr. COHEN. Salvey never butted into any appointments.

Mr. HALLEY. Wouldn't it be very possible that his point might be, and I ask you whether you wouldn't think that people engaged in admittedly illegal business, perhaps should not have that kind of influence in the community?

Mr. COHEN. Mr. Halley, maybe you are right, but you have brought out a point that they had enough nerve to try to move the city hall to a gambler's place of business. Mr. Salvey had an agent who was renting his business, building. The third floor was for rent. The city of Miami Beach needed space. The agents submitted that space to the city of Miami Beach. Would that have been moving city hall, or would it be an attempt to grab headlines and make speeches, like Richards did?

Mr. HALLEY. Let's get back to the crux of the matter. You said maybe I was right. Did you mean, by that, that maybe I am right in saying that, in the light of the business that S. & G. conducted, it is not a good thing for a community that the people who operate this syndicate and their counsel, when their intent is in continuing this kind of business, should wield the kind of influence—I am not saying sinister influence; let's assume it is not sinister—that you have just testified you had in the city of Miami Beach and in the community?

Mr. COHEN. I don't know what influence we had.

Mr. HALLEY. You said you had the ability to influence the appointment of a judge. You appear regularly before the courts defending people whenever they are put in jail.

Mr. COHEN. Let me explain that, too. I made the statement in open court that I would never try a case in front of this judge.

Mr. HALLEY. That is understandable.

Mr. COHEN. I did, and I had a big fight about it, and he wound up trying to throw me in jail for contempt of court because I wouldn't try a case in front of him.

Mr. HALLEY. He was friendly to you, though; you were not really antagonistic.

Mr. COHEN. We eat lunch together every day that I am in Miami Beach and he is there.

Mr. HALLEY. In addition to that——

Senator HUNT. That is a significant statement.

Mr. COHEN. Yes; we do eat lunch together every day.

Mr. HALLEY. In addition to that, in the various real-estate transactions that the members of the syndicate have had, they have actually been represented by the same man who represents the city of Miami Beach, the city attorney; isn't that correct?

Mr. COHEN. That is not correct.

Mr. HALLEY. Doesn't his name appear on the deeds?

Mr. COHEN. Did you notice whose name appeared on the deeds?

Mr. HALLEY. What is the difference? If I buy real estate and I have the deeds sent for recording to an attorney, I must be having some relationship with him. Why do you send it to the city attorney?

Mr. COHEN. At that time he represented him. Ben Shepherd, who is the city attorney, happens to be a dear friend of mine also and has been for the past 20 or 25 years. I remember Ben Shepherd before he took the bar examination. When I had my offices in Miami, Ben Shepherd was with me every day. Ben Shepherd was clerk of the court in Dade County Circuit Court as far back as 1914, I believe. He represented them in some real-estate transactions back in 1944 before he was city attorney, and I don't see anything improper about him, because he doesn't prosecute them in any way; the city attorney doesn't. He represented them. I understand, prior to his ever being city attorney for the city of Miami Beach.

Mr. HALLEY. Some of these deeds went to him right at the city hall. The address to which they were sent was his office in the city hall.

Mr. COHEN. All right, then, those were some that he did while he was city attorney; but I see nothing wrong with him representing an individual in purchasing land.

Mr. HALLEY. I am not going to ask you, sitting there as an attorney to admit whether these things were wrong or right; but would you not agree that it is quite apparent, on the basis of long association, business relationships, your professional relationships, the associations and business relationships of the S. & G. Syndicate members, that you were very well and favorably connected with the city council and the city administration of Miami Beach and that you exercised a great influence in the management of the city affairs?

Mr. COHEN. Definitely not.

Mr. HALLEY. How can you deny it?

Mr. COHEN. We had nothing to do with the management of city affairs.

Mr. HALLEY. Is that the part you would disagree with? Would you agree with the rest of the statement?

Mr. COHEN. You have made a pretty long sentence.

Mr. HALLEY. I will break it down. Would you agree that you certainly had long-standing friendships with important city officials?

Mr. COHEN. Yes; I had some.

Mr. HALLEY. And that various S. & G. members did have?

Mr. COHEN. I know of one S. & G. member, one individual.

Mr. HALLEY. Would you agree that you and the various S. & G. members had at least certain business transactions with high-ranking city officials?

Mr. COHEN. I had no business transactions, but some of them had some with the city attorney. He examined some abstracts and represented them in some purchases of real estate.

Mr. HALLEY. Would you agree that at least Harold Salvey had very substantial business relations with one city councilman named Burbridge?

Mr. COHEN. Yes, sir.

Mr. HALLEY. Would you agree that Burbridge is at least reputed throughout Miami Beach to be a very persuasive and important member of the council?

Mr. COHEN. Yes.

Mr. HALLEY. Probably the decisive factor in the council?

Mr. COHEN. He is not decisive in the past year. He wasn't decisive prior to the last 2 years, but he is a well-respected member of the council by the other councilmen. They listen to his advice.

Mr. HALLEY. I have no other questions right now.

The CHAIRMAN. I have one or two questions, Mr. Cohen.

You were talking about Mr. Shepherd, to whom these deeds were sent at the city hall. It was his duty to represent the city in the matter of zoning litigation in which several S. & G. members were interested in getting part of Miami rezoned; is that correct?

Mr. COHEN. That is correct.

The CHAIRMAN. So there might possibly be a conflict of interest if he were representing them at that time. That is, they stood to profit by the rezoning of certain parts of the city of Miami Beach.

Mr. COHEN. Yes, if he were to do something, but let me explain what did happen.

The CHAIRMAN. All right, sir.

Mr. COHEN. The Firestone estate is an estate of 700 feet. They were zoned for estate use; that is, a single-family dwelling in that particular area. They brought suit against the city of Miami Beach claiming that the zoning ordinances were arbitrary, unreasonable, and void and contrary to law, not having the best use out of the property as it was in the state that it was in. Certain members of the S. & G. owned some land immediately north of that property, not beside it, but a few thousand feet away. The Firestone people went into court; and, the minute they did, Mr. Shepherd entered his appearance for the city of Miami Beach and then went to the city council and asked them for special counsel in this case to appear with him, and he was to assist them. The firm of Ward & Ward, which are highly reputable people, attorneys in Miami, took over this case with Mr. Shepherd. The city was unsuccessful in the circuit court. The court ruled with the Firestone people, and Mr. Shepherd then came to the city council and the city council authorized them to appeal the case. They took the case up to the supreme court, and the supreme court reversed the circuit court. In other words, Mr. Shepherd then, with Mr. Ward, won his point.

The CHAIRMAN. That is, won the point on rezoning.

Mr. COHEN. On rezoning. Then the Supreme Court granted a rehearing without additional briefs or arguments, and 6 months later reversed their previous stand.

The CHAIRMAN. So the city lost the case.

Mr. COHEN. So they lost it.

The CHAIRMAN. Then, Mr. Cohen, did you participate in the recall petition of Melvin Richards?

Mr. COHEN. I told every friend that I had to go down and register for that thing, to recall Melvin Richards.

The CHAIRMAN. In other words, you did all you could to get him recalled.

Mr. COHEN. Yes.

The CHAIRMAN. The S. & G. joined you in that?

Mr. COHEN. No, they had nothing—they asked me to stay out of that, and I told them to mind their own business, it didn't reflect in my work for them, and they could not control me on that.

The CHAIRMAN. Did you have a part in making any arrangements with the radio station to carry the broadcasts in support of the recall petition?

Mr. COHEN. No, I did not.

The CHAIRMAN. Mr. Cohen, how much was Russell paid when S. & G. was wound up and dissolved here recently?

Mr. COHEN. The figures have not been—they have an asset like the boat, which they are selling. They have it up for sale. They have certain furniture which they have up for sale. What they have done—

The CHAIRMAN. In other words, there hasn't been a final cash distribution.

Mr. COHEN. That is right.

The CHAIRMAN. Has he been sent any check at all, do you know?

Mr. COHEN. Not that I know of. In fact, as I told Mr. Halley, we have not been able to tell Mr. Russell that it is dissolved.

The CHAIRMAN. You don't know where he is?

Mr. COHEN. I have no idea where he is.

The CHAIRMAN. Have you tried to find him?

Mr. COHEN. Yes.

The CHAIRMAN. You haven't heard a word from him?

Mr. COHEN. I haven't heard one word from Mr. Russell.

The CHAIRMAN. Senator Hunt, do you have any questions?

Senator HUNT. No.

The CHAIRMAN. For the record, has gambling been more or less in recent years or has it been about the same?

Mr. COHEN. It is about the same, Senator.

The CHAIRMAN. Governor Warren, I believe, was inaugurated in January 1949.

Mr. COHEN. That is correct.

The CHAIRMAN. He serves until 1953. Who was the governor before then?

Mr. COHEN. Millard Caldwell.

The CHAIRMAN. From 1945 to 1949?

Mr. COHEN. That is correct.

The CHAIRMAN. Governor Holland from 1941 to 1945?

Mr. COHEN. That is correct.

The CHAIRMAN. Cohen from 1937 to 1941?

Mr. COHEN. That is correct.

The CHAIRMAN. Scholtz from 1933 to 1937?

Mr. COHEN. That is correct.

The CHAIRMAN. Carlson from January '29 to '33.

Mr. COHEN. That is correct.

The CHAIRMAN. Governors cannot succeed themselves.

Mr. COHEN. No, they cannot under our State law.

The CHAIRMAN. I believe that is all.

Do you have any statement you want to make, Mr. Cohen, any explanation?

Mr. COHEN. I think not, sir.

The CHAIRMAN. We appreciate your appearance here today.

Mr. COHEN. Thank you.

The CHAIRMAN. The committee will stand in recess until 2 o'clock this afternoon.

(Whereupon, at 12:30 p. m., the committee recessed until 2 p. m. the same day.)

AFTERNOON SESSION

(The committee reconvened at 2 p. m., pursuant to recess.)

The CHAIRMAN. The committee will come to order.

Mr. Jules Levitt, please, if you will come around.

Mr. Levitt, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LEVITT. I do, sir.

**TESTIMONY OF JULES LEVITT, MIAMI BEACH, FLA., ACCOMPANIED
BY BEN COHEN, ATTORNEY, MIAMI BEACH, FLA.**

The CHAIRMAN. Let the record show that Mr. Ben Cohen is appearing with Mr. Jules Levitt as his attorney.

Mr. COHEN. That is correct.

Mr. HALLEY. What is your address, Mr. Levitt?

Mr. LEVITT. Miami Beach, Fla.

Mr. HALLEY. What is your business?

Mr. LEVITT. Finance business.

Mr. HALLEY. You are in the finance business?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Were you, prior to its dissolution, a member of the S. & G. Syndicate?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. During the month of July, this committee held hearings in Miami and made a number of very strenuous efforts to find you and serve a subpoena on you. I know I personally spoke twice to your son on the telephone. Would you explain to the committee why it was so difficult to find you and get your testimony?

Mr. LEVITT. At the time, I was up in Jacksonville. I have a brother up there who had a stroke up there at the St. Michael Hotel. I was spending my time up there with him. He had a stroke.

Mr. HALLEY. You made no effort to communicate with the committee and let them know where you were, did you?

Mr. LEVITT. No, sir, I did not. I was very busy. I couldn't leave there because he was almost dying at the time.

Mr. HALLEY. You could have gotten to a telephone.

Mr. LEVITT. No doubt I could.

Mr. HALLEY. You did read in the paper that the committee was trying to find you?

Mr. LEVITT. I didn't get no paper up there, Senator.

Mr. HALLEY. You didn't know the committee was trying to find you?

Mr. LEVITT. I heard they were trying to find me.

Mr. HALLEY. You were in Miami until just a few days before the committee hearings, weren't you?

Mr. LEVITT. I was there the first time when they were trying to subpoena our bookkeeper. Then I got a call to come to Jacksonville. My brother had a stroke.

Mr. HALLEY. That happened just before the committee hearing?

Mr. LEVITT. Yes, sir; a day or two before it.

Senator HUNT. Mr. Levitt, will you pull the mike a little closer to you, please, or move it?

Mr. LEVITT. Yes, sir; thank you.

Mr. HALLEY. Didn't you have advice of counsel not to appear——

Mr. LEVITT. No, sir.

Mr. HALLEY. Because it might tend to incriminate you?

Mr. LEVITT. No, sir.

Mr. HALLEY. Can you explain the coincidence that none of the members of the S. & G. Syndicate could be found?

Mr. LEVITT. I knew nothing about the rest of the members. I was up in Jacksonville at the time.

Mr. HALLEY. Isn't it strange that your own son—he is a boy who is in college, isn't he?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Wouldn't he have known you were in Jacksonville with your brother if somebody asked him?

Mr. LEVITT. He was in town at the time. I wasn't home at the time. I was gone at the time.

Mr. HALLEY. You didn't hide your whereabouts from your son?

Mr. LEVITT. No, I didn't.

Mr. HALLEY. He told me that you and your wife had gotten into the car and just disappeared.

Mr. LEVITT. We went up to Jacksonville.

Mr. HALLEY. Do you customarily just disappear without leaving any word as to where you have gone, particularly when a brother is very sick?

Mr. LEVITT. This was an emergency at the time, sir.

Mr. HALLEY. Wouldn't you ordinarily let your son know where you were? You don't just disappear from your home, do you?

Mr. LEVITT. I didn't have time to let him know at the time. I was kept at the house all day and all night there.

Mr. HALLEY. You were served with a subpoena a few days ago, weren't you?

Mr. LEVITT. Yes, I think it was about a week ago, sir.

Mr. HALLEY. You recall having been served right at your home, is that correct?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Why did you attempt to run away when your process server tried to serve a subpoena on you that time?

Mr. LEVITT. We agreed to volunteer to come up ourselves. Mr. Cohen agreed to come up and take the subpoena.

Mr. HALLEY. Who is "we"?

Mr. LEVITT. The boys, Mr. Salvey, I think it is Eddie Rosenbaum, and myself.

Mr. HALLEY. With whom did you make that agreement?

Mr. LEVITT. Mr. Cohen.

Mr. HALLEY. You made such an agreement with Mr. Cohen?

Mr. LEVITT. That we would appear; yes, sir.

Mr. HALLEY. How did that relate to the fact that when a committee investigator appeared to serve a subpoena on you, you broke loose and ran?

Mr. LEVITT. I didn't know who he was. I never saw the gentleman before.

Mr. HALLEY. He just stepped out of a car and called your name, isn't that right?

Mr. LEVITT. I don't know. He don't know me. I don't think the gentleman knows me.

Mr. HALLEY. You didn't even have your shoes on, did you?

Mr. LEVITT. I just came from the country at the time.

Mr. HALLEY. Yet you jumped out of the car and ran around the house and onto another lot. Why would you do that?

Mr. LEVITT. I didn't run. I walked around.

Mr. HALLEY. You didn't walk. He had to chase you. If you had had shoes on, he probably couldn't have caught you.

Mr. LEVITT. I don't know.

Mr. HALLEY. Isn't it a fact that you have been trying to avoid the subpoena of this committee?

Mr. LEVITT. No, sir.

Mr. HALLEY. In any event, you are here now, and you are here pursuant to that subpoena that was served on you?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Did you hear the testimony of Ben Cohen?

Mr. LEVITT. I did, sir.

Mr. HALLEY. Was that in substance the fact and the truth?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Do you have anything you would like to say that would change it or alter it, or is there any respect in which you would want to correct it?

Mr. LEVITT. No, sir.

Mr. HALLEY. Is there anything you would like to add to it?

Mr. LEVITT. No, sir.

Mr. HALLEY. How long have you been in the bookmaking business?

Mr. LEVITT. I have been in the finance business for about 15 years.

Mr. HALLEY. How long have you been in the bookmaking business?

Mr. LEVITT. We finance books.

Mr. HALLEY. You participate with books on a half interest, don't you?

Mr. LEVITT. We participate with the concessionaires.

Mr. HALLEY. You share half of their profit; is that right?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. How often were you arrested for bookmaking?

Mr. LEVITT. I have been arrested once or twice for bookmaking, sir. That is years back.

Mr. HALLEY. Isn't it a fact that you have been arrested 10 times?

Mr. LEVITT. No, sir.

Mr. HALLEY. Isn't it a fact that you have actually been convicted at least three times?

Mr. LEVITT. Once or twice.

Senator WILEY. What for?

Mr. LEVITT. For gambling.

Mr. HALLEY. What kind of gambling?

Mr. LEVITT. Bookmaking. That was, I think, around 1940.

The CHAIRMAN. That is not since you have been in the finance business? You were out operating a book yourself?

Mr. LEVITT. That is right.

The CHAIRMAN. When you were arrested and convicted?

Mr. LEVITT. That is right, sir.

The CHAIRMAN. When you got in the big-time business you did not get arrested any more?

Mr. LEVITT. I was never a bookmaker. I don't ever take a bet.

Senator WILEY. What State was that in?

Mr. LEVITT. Miami, Fla.

Mr. HALLEY. You heard Mr. Cohen testify that the S. & G. Syndicate took lay-off bets?

Mr. LEVITT. That is right, sir.

Mr. HALLEY. Is that bookmaking?

Mr. LEVITT. You might call it bookmaking.

Mr. HALLEY. It was bookmaking. Don't quibble about it.

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Are you a member of S. & G. Syndicate?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Then you did make book, and you have been making book right along on lay-off bets, at least?

Mr. LEVITT. On lay-off bets only.

Mr. HALLEY. That you have been doing directly?

Mr. LEVITT. The concessionaire would give it to the clerk.

Mr. HALLEY. Your clerk?

Mr. LEVITT. That is right.

Mr. HALLEY. Don't try to duck it. He worked for you, didn't he?

Mr. LEVITT. That is right, sir.

Mr. HALLEY. When the gambler lost his bet you made the money, didn't you?

Mr. LEVITT. That is right.

Mr. HALLEY. The lay-off bets were the big bets, weren't they, that were too big for the individual concessionaire to handle?

Mr. LEVITT. That is right.

Mr. HALLEY. You also participated, I believe you said, with these concessionaires, and you got half of their profit?

Mr. LEVITT. That is right.

Mr. HALLEY. You have been a partner in the Sunny Isles Club?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. That has been a fairly profitable operation, hasn't it?

Mr. LEVITT. The books will show.

Mr. HALLEY. In fact, in at least one year, 1947, your personal income from that was well over \$50,000, wasn't it?

Mr. LEVITT. I don't remember that, sir.

Mr. HALLEY. If your books show it, would that be right?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. Is that what they show?

Mr. HALLEY. Yes.

Senator WILEY. His share, you mean?

Mr. HALLEY. Yes; his personal share.

The total profits of Sunny Isles were something like \$290,000 for 1947, weren't they, which was its top year?

Mr. LEVITT. I refuse to answer that. I have an internal case coming against me.

Mr. HALLEY. You mean an internal revenue case?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. And on that question you wish to assert your privilege?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Is that on the ground that your answer would tend to incriminate or degrade you?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Under Federal law, the internal revenue law, is that right?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. I don't think I have any other questions of this witness.

The CHAIRMAN. Mr. Levitt, perhaps you can throw some light on how you got in touch with this fellow Russell, who became a member of your partnership, the S. & G. The S. & G. did not need any financing. All of you had plenty of money, did you not?

Mr. LEVITT. Yes, sir; we had money.

The CHAIRMAN. You did not need any new capital for your operations?

Mr. LEVITT. No, sir.

The CHAIRMAN. You had been in the business long enough to know the technique of financing the kind of business you were in, had you not?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. Why did you take Russell into this business?

Mr. LEVITT. The same as Mr. Cohen said.

Senator WILEY. Speak up a little louder.

Mr. LEVITT. The same as Mr. Cohen in his statement here.

The CHAIRMAN. When did you first know Mr. Russell?

Mr. LEVITT. I have seen Mr. Russell on the beach off and on 8 or 10 times in the last 5 years.

The CHAIRMAN. Did you know him well?

Mr. LEVITT. Not too well, sir.

The CHAIRMAN. You knew before you took him in that he had been squealing on you to this fellow Crosby so they could make raids on S. & G. places, did you not?

Mr. LEVITT. I knew nothing about that, sir.

The CHAIRMAN. You did not know that?

Mr. LEVITT. No, sir.

The CHAIRMAN. Was he a close friend of yours?

Mr. LEVITT. Not too close.

The CHAIRMAN. Did you make the first contact with him?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. When was that, do you recall?

Mr. LEVITT. I don't recall the date, sir.

The CHAIRMAN. Was it a month before he came in as a partner, or when?

Mr. LEVITT. It might have been a week before he came in as a partner.

The CHAIRMAN. A week before he came in as a partner. Is that the first time you approached him?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. Where was he?

Mr. LEVITT. I called him.

The CHAIRMAN. Did you call him at his home?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. What did you tell him?

Mr. LEVITT. I told him that the boys wanted to talk to him and discuss something with him.

The CHAIRMAN. Your wire service was off at that time?

Mr. LEVITT. I don't think so, sir. I am not sure.

The CHAIRMAN. If it was a week before he came in as a partner, the record shows it was off.

Mr. LEVITT. I don't remember that. I haven't been around the office much in the last couple of months.

The CHAIRMAN. You said the boys wanted to see him. Then what happened?

Mr. LEVITT. We had a meeting with him, I think the next day.

The CHAIRMAN. Did he come over to your office?

Mr. LEVITT. He came over to our office.

The CHAIRMAN. Were all the boys there?

Mr. LEVITT. Eddie Lucky, myself—

The CHAIRMAN. Eddie who?

Mr. LEVITT. Eddie Rosenbaum.

The CHAIRMAN. Eddie Lucky?

Mr. LEVITT. That is a nickname for Rosenbaum. Myself, and Charlie Friedman.

The CHAIRMAN. And was Mr. Ben Cohen there?

Mr. LEVITT. No, sir.

The CHAIRMAN. Then what did you tell Mr. Russell when he came over?

Mr. LEVITT. We told him that we would like for him to come in with us.

The CHAIRMAN. What did you tell him you would like for him to come in for? Why did you want him in your business?

Mr. LEVITT. Because we understand he was taking some hotels, we heard he was taking some hotels.

The CHAIRMAN. You heard he had been around to see some of the hotels?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. You had other competition there on Miami Beach, did you not?

Mr. LEVITT. They weren't out taking any new hotels or trying to get our spots.

The CHAIRMAN. Is it not rather strange that you would take in one fellow who had just come in, and you had other competition and you had not taken them in, too?

Mr. LEVITT. The same as Mr. Cohen said, he had a connection with the hotels, he knew the owners of various hotels.

Senator WILEY. Move your chair closer to the mike.

The CHAIRMAN. Mr. Cohen said Russell had connections with the hotels?

Mr. LEVITT. We heard that. Not Mr. Cohen.

The CHAIRMAN. Where did you hear that he had connections with hotels?

Mr. LEVITT. From the hotel owners.

The CHAIRMAN. Who told you that?

Mr. LEVITT. I don't remember any certain one.

The CHAIRMAN. Would the hotel owners tell you they were going to pull away from you and do business with him?

Mr. LEVITT. They kind of hinted to us. The concessionaire told us that.

The CHAIRMAN. He did not have any wire service, or anything. How could he go into business?

Mr. LEVITT. Anybody can get wire service.

The CHAIRMAN. He did not have an office and never had been in the bookie business there, had he?

Mr. LEVITT. Anybody can get wire service as long as you pay for it.

The CHAIRMAN. Had he ever been in any bookie business before, that you knew of?

Mr. LEVITT. I wouldn't know, sir.

The CHAIRMAN. What did he do before that?

Mr. LEVITT. I understand he booked in Chicago.

The CHAIRMAN. Where did you understand that from?

Mr. LEVITT. He told me, himself.

The CHAIRMAN. You knew that when you took him in?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. What was the discussion about the wire service when you had him there in the office?

Mr. LEVITT. No discussion at all.

The CHAIRMAN. How did you arrive at this figure of \$20,000?

Mr. LEVITT. We reorganized and put up a new bankroll. We each put up \$20,000.

The CHAIRMAN. Do you not think \$20,000 is mighty little for a one-sixth interest in a partnership of this kind that made very substantial amounts of money?

Mr. LEVITT. No; I wouldn't say that.

The CHAIRMAN. It took in \$26,000,000 in 1 year.

Mr. LEVITT. I don't know the figures. The books will show the figures.

The CHAIRMAN. \$20,000 would be very much less than any of you would make out of the business in one average year, would it not?

Mr. LEVITT. No. This year I don't think we will show any profit.

The CHAIRMAN. I know, but I mean during a good year you would make very much more than that, each one of you. I do not want to ask you specifically what you made. We have the records, and I know you have an income tax matter.

Was he to work in the office or to do anything?

Mr. LEVITT. We decided to go into the baseball business, and he was going to take care of the baseball end of it.

The CHAIRMAN. Did he ever do any work?

Mr. LEVITT. He organized the baseball game for us.

The CHAIRMAN. He got his one-sixth share from that time on?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. Did you investigate him in Chicago and find out who he was, or anything about him?

Mr. LEVITT. He told me himself he had never been arrested for any violation.

The CHAIRMAN. Did you check any of his associations or his addresses?

Mr. LEVITT. No, sir. He said he wasn't associated with anybody, that he was by himself.

The CHAIRMAN. Was the whole contract made on that first visit?

Mr. LEVITT. I don't remember.

The CHAIRMAN. Did you bring him into the partnership then?

Mr. LEVITT. I am pretty sure we agreed right then to take him in.

The CHAIRMAN. That is all there was to it?

Mr. LEVITT. That is right, sir.

The CHAIRMAN. Do you remember when your wire service went off?

Mr. LEVITT. No, sir; I don't.

The CHAIRMAN. You remember the occasion?

Mr. LEVITT. I wasn't there at the time.

The CHAIRMAN. Where were you?

Mr. LEVITT. My dad was in the hospital, very sick, at the time that all that happened.

The CHAIRMAN. When the wire service first went off, where did you get the bootleg wire service from?

Mr. LEVITT. New Orleans, sir.

The CHAIRMAN. What company?

Mr. LEVITT. I think we sent a boy up there to relay it out of a book up there. What book, I didn't know.

The CHAIRMAN. How did you get it out of New Orleans, by telephone?

Mr. LEVITT. By telephone.

The CHAIRMAN. You did not get it from this fellow across in Miami?

Mr. LEVITT. No, sir.

The CHAIRMAN. You did not get it from Mr. Craig at all?

Mr. LEVITT. No; I don't know Mr. Craig.

The CHAIRMAN. You know Mr. Craig who operates a finance business in the city of Miami, do you not?

Mr. LEVITT. I never met Mr. Craig, sir.

The CHAIRMAN. You know him, do you not?

Mr. LEVITT. I have heard of him in the newspapers.

The CHAIRMAN. You have never met him?

Mr. LEVITT. No, sir.

The CHAIRMAN. What is the name of the company you got the service from in New Orleans?

Mr. LEVITT. It was just a book.

The CHAIRMAN. Just a book?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. Do you remember a message, after you had this bootleg service for some time, coming across that if they did not stop furnishing wire service to S. & G. all service in Florida would be cut off?

Mr. LEVITT. No; I don't remember. I wasn't there at the time, sir.

The CHAIRMAN. You heard about such a message, did you not?

Mr. LEVITT. No; I never. I never even heard that.

The CHAIRMAN. You did not?

Mr. LEVITT. No, sir.

The CHAIRMAN. Anyway, the wire service was completely shut off, was it not, even what you were getting from New Orleans?

Mr. LEVITT. We continued to get it from New Orleans, sir.

The CHAIRMAN. I know, but I mean for a time you did not get any wire service?

Mr. LEVITT. We still continue to get it from New Orleans.

The CHAIRMAN. How do you account for the fact that during a two-week period you did not have any in's at all on your books?

Mr. LEVITT. We might not have been doing any business at the time.

The CHAIRMAN. If you had had wire service, you certainly would

have kept on doing business? It was at the height of the season, was it not, in February?

Mr. LEVITT. We might have. We might have missed a day or two here. I wouldn't remember that, sir.

The CHAIRMAN. What negotiations did you have to get the wire service back?

Mr. LEVITT. I had nothing to do with that.

The CHAIRMAN. Who handled that?

Mr. LEVITT. I really don't remember, sir.

The CHAIRMAN. What was your position with the S. & G.? Were you secretary or treasurer, or what?

Mr. LEVITT. No; we didn't have no official capacities like that.

The CHAIRMAN. Did you work in the office?

Mr. LEVITT. No, sir; I worked on the outside.

The CHAIRMAN. Who would have had the negotiations to get the wire service back?

Mr. LEVITT. I really don't know, sir.

The CHAIRMAN. Do you think it would have been your brother?

Mr. LEVITT. No; he had nothing to do with that. He was just the cashier.

The CHAIRMAN. Mr. Salvey?

Mr. LEVITT. No, sir.

The CHAIRMAN. Mr. Cohen? Did Mr. Sam Cohen work in the office?

Mr. LEVITT. He worked on the outside with me sometimes.

The CHAIRMAN. What did you do on the outside?

Mr. LEVITT. Oh, just go around and checking a little bit.

The CHAIRMAN. Did you go around and make collections?

Mr. LEVITT. No, sir.

The CHAIRMAN. What did you check on when you checked around?

Mr. LEVITT. Just went around the hotels once in a while.

The CHAIRMAN. Just to see how your agents were getting along?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. Did you check up on their books?

Mr. LEVITT. No, sir.

The CHAIRMAN. You do not know anything about the negotiations to get the wire service back?

Mr. LEVITT. No, sir.

The CHAIRMAN. Did you handle the deal for the purchase of this boat?

Mr. LEVITT. No, sir.

The CHAIRMAN. Who handled that?

Mr. LEVITT. I don't know. I knew we had a boat.

The CHAIRMAN. You mean the boat just came?

Mr. LEVITT. I know we bought a boat. That is all I know about it.

The CHAIRMAN. Were you not consulted about spending \$20,000 for a boat?

Mr. LEVITT. They said something about a boat, and I said, "Whatever you sign is all right with me." I don't remember.

The CHAIRMAN. You mean that is just such a small transaction you would not bother about it?

Mr. LEVITT. No, sir.

The CHAIRMAN. What about it? Did you know you were going to buy a boat?

Mr. LEVITT. I heard we were going to buy a boat.

The CHAIRMAN. Who did you hear that from?

Mr. LEVITT. From one of the partners, I don't remember who.

The CHAIRMAN. You cannot remember?

Mr. LEVITT. No, sir.

Senator WILEY. Did your boat come in?

(No response.)

The CHAIRMAN. What were you going to buy a boat for, anyway?

Mr. LEVITT. We all like to fish, sir.

The CHAIRMAN. That made the second boat you had, did it not?

You already had one boat?

Mr. LEVITT. No, sir. Mr. Sam Cohen had a boat. We used his boat.

The CHAIRMAN. You mean you just spent \$20,000 on a boat just casually, and did not know who you were going to buy it from and did not see it before you bought it, or anything?

Mr. LEVITT. That is right, sir.

The CHAIRMAN. You did not go down and see it?

Mr. LEVITT. No, sir.

The CHAIRMAN. Do you know Tony Accardo?

Mr. LEVITT. No, sir.

The CHAIRMAN. You never saw him?

Mr. LEVITT. In my life. I never saw him in my life.

The CHAIRMAN. How did you happen to buy the boat from him?

Mr. LEVITT. I really don't know.

The CHAIRMAN. You do not know who negotiated the deal?

Mr. LEVITT. No, sir.

The CHAIRMAN. I must say, Mr. Levitt, you have a remarkable unfamiliarity with the business that you were in.

Mr. LEVITT. I was never around the business much.

The CHAIRMAN. How old are you?

Mr. LEVITT. Forty-five.

The CHAIRMAN. You never were around the business very much?

Mr. LEVITT. No, sir.

The CHAIRMAN. Before you went into the syndicate, did you operate a wire-dispensing place?

Mr. LEVITT. We booked at the time, individuals.

The CHAIRMAN. You mean you were a concessionaire yourself?

Mr. LEVITT. Yes; we had two places of our own.

The CHAIRMAN. You and your brother?

Mr. LEVITT. No, sir; my brother had nothing to do with it at that time.

The CHAIRMAN. Who are "we"?

Mr. LEVITT. Charlie Friedman and myself.

The CHAIRMAN. What places did you have then?

Mr. LEVITT. That was 10 years ago. I don't remember the places now.

The CHAIRMAN. How did this syndicate get formed? Were you one of the moving factors in getting all these groups together?

Mr. LEVITT. We thought it more profitable to join together.

The CHAIRMAN. To pool all of your business?

Mr. LEVITT. That is right, sir.

The CHAIRMAN. It did turn out to be more profitable, too, did it not?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. What casino or night club do you operate or have an interest in?

Mr. LEVITT. The Sunny Isles Casino.

The CHAIRMAN. Did you not operate Club Collins, too, at one time?

Mr. LEVITT. No, sir.

The CHAIRMAN. Does your brother operate Club Collins?

Mr. LEVITT. No, sir.

The CHAIRMAN. Were you at Sunny Isles the night Mr. Crosby and Mr. Burke came?

Mr. LEVITT. Sunny Isles?

The CHAIRMAN. Yes.

Mr. LEVITT. I don't believe so.

The CHAIRMAN. Was that not raided one night when you were there?

Mr. LEVITT. No, sir.

The CHAIRMAN. Perdue came out to the Sunny Isles, did he not, when he was reinstated, and you ordered him out?

Mr. LEVITT. He was at the bar at the time, sir.

The CHAIRMAN. The bar is a public place.

Mr. LEVITT. I don't think it was the place for a policeman to be at the time.

The CHAIRMAN. And Perdue was the head of the racket squad, as I remember it, on Miami Beach. Anyway, he made all the raids, if any were made?

Mr. LEVITT. I don't know his capacity.

The CHAIRMAN. You remember the chief of police said he did not want to have anything to do with this gambling place?

Mr. LEVITT. I don't know anything about it.

The CHAIRMAN. So he turned it over to Mr. Perdue. Mr. Perdue came out to your Sunny Isles, and was around the bar, is that right?

Mr. LEVITT. Yes; he was at the bar.

The CHAIRMAN. That was a public place, was it not?

Mr. LEVITT. It was a private club, sir.

The CHAIRMAN. Anyway, he had a right to come in there?

Mr. LEVITT. A private club, no, sir.

The CHAIRMAN. You ordered him out and he went out?

Mr. LEVITT. Yes, sir; that is right.

The CHAIRMAN. Do you not think that is showing a lot of power, ordering a policeman out of a place?

Mr. LEVITT. I was doing it for his own good, I thought.

The CHAIRMAN. You mean you thought he might be in danger around there, is that the situation?

Mr. LEVITT. I don't know why.

The CHAIRMAN. Why did you do it for his own good? What do you mean?

Mr. LEVITT. I don't know. I thought I was doing it for his own good?

The CHAIRMAN. Why did you think you were doing it for his own good?

Mr. LEVITT. I couldn't answer that.

The CHAIRMAN. There must have been something in your mind about it. Why did you think it would be good for him to order him out?

Mr. LEVITT. Because we have a room upstairs, a place of chance upstairs, and I didn't think it was the proper place. He was out of his jurisdiction at the time, anyway.

The CHAIRMAN. Out of his jurisdiction?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. That was not in Miami Beach?

Mr. LEVITT. No, sir.

The CHAIRMAN. You had a game of chance upstairs and you did not want him around there?

Mr. LEVITT. That is right, sir.

The CHAIRMAN. Did you tell him that?

Mr. LEVITT. No; I didn't explain that at all.

The CHAIRMAN. How about these operating expenses that bookies were charged? Some of these bookies have testified that they paid \$75 a week for police protection, and that was collected by S. & G., or perhaps \$50 a week. What about that?

Mr. LEVITT. The records would show the income on that.

The CHAIRMAN. I know, but what was done with it? Was any of it paid for protection?

Mr. LEVITT. No, sir.

The CHAIRMAN. You are sure of that?

Mr. LEVITT. I will swear to that.

The CHAIRMAN. What was it collected for? What is all that operating expense?

Mr. LEVITT. That was the expense to run; I mean the expense we had.

The CHAIRMAN. You know what "ice money" is?

Mr. LEVITT. Yes, sir, but—

The CHAIRMAN. Did you collect "ice money" from bookies?

Mr. LEVITT. No, sir.

The CHAIRMAN. Did you pay any when you were a bookie?

Mr. LEVITT. No, sir.

The CHAIRMAN. You did not?

Mr. LEVITT. No, sir.

The CHAIRMAN. Senator Hunt, do you want to ask any questions?

Senator HUNT. I have only one question, Mr. Chairman.

Would you tell the committee why the syndicate is being dissolved?

Mr. LEVITT. I think I have had enough of all this publicity.

Senator HUNT. Did you feel that, if you continued the operations that you have been carrying on for the last few years, you were going to get in trouble, in deep water, and by dissolving the syndicate you were going at least to cool the fire off your organization for a while? Did you have in mind operating by some other method?

Mr. LEVITT. No, sir.

Senator HUNT. What do you have in mind?

Mr. LEVITT. I intend to do a little farming.

Senator WILEY. Did you say "reforming"?

Mr. LEVITT. No; farming.

Senator HUNT. In other words, you are now prepared to go legitimate?

Mr. LEVITT. That is right, sir.

Senator HUNT. I have nothing more.

The CHAIRMAN. Senator-Wiley?

Senator WILEY. Just a few questions.

This man Russell has been talked about. Do you feel at this time that his connection with you was not a case of "muscling in" on you?

Mr. LEVITT. No, sir.

Senator WILEY. What do you say about that?

Mr. LEVITT. We thought it was profitable to take him in because it looked like he was going to take some of our top hotels.

Senator WILEY. Did he threaten to take them?

Mr. LEVITT. No; he didn't do no threatening.

Senator WILEY. You say he came from Chicago. Apparently none of you had any real knowledge of who he was; but you felt that in view of his activities, you could lose some business. Is that what you felt?

Mr. LEVITT. That is right, sir.

Senator WILEY. So you took him in?

Mr. LEVITT. That is right, sir.

Senator WILEY. In this meeting that you had, was it very friendly all along the line?

Mr. LEVITT. Very friendly.

Senator WILEY. You said, "Dear Mr. Russell"—

Mr. LEVITT. No; we didn't say that.

Senator WILEY. "We would like you to come in with us"?

Mr. LEVITT. No; we didn't say "dear."

Senator WILEY. You did not? What did he have to say?

Mr. LEVITT. He didn't have much to say. He did a lot of listening.

Senator WILEY. He said, "Boys, I am with you if you will take me in"; is that it? 20,000 bucks. How much did he take out of it?

Mr. LEVITT. Nothing. He lost on his deal.

Senator WILEY. He did what?

Mr. LEVITT. He lost money on it.

Senator WILEY. He did?

Mr. LEVITT. Yes, sir.

Senator WILEY. Did he get in with the other groups that were operating down there?

Mr. LEVITT. I knew nothing about that, if he did.

Senator WILEY. The chairman of the committee said something about payments that had been made to officials. Do you swear that you personally, or to your knowledge your organization, did not pay any of the officials for protection of any kind or pay them any money?

Mr. LEVITT. I do, sir.

Senator WILEY. You were arrested 10 times, did you say?

Mr. LEVITT. No, sir. Once or twice, I said. Mr. Kefauver, I think, said 10 times.

Senator WILEY. Once or twice. Do you think it would be twice?

Mr. LEVITT. I think so, sir; once or twice, I am not sure. That is a few years back. I don't remember.

Senator WILEY. Do you mean that it was such an unusual experience you could not say whether it was two times or one time?

Mr. LEVITT. That was about 10 years ago, I think.

Senator WILEY. You did not serve any time?

Mr. LEVITT. No, sir.

Senator WILEY. Do you remember how much of a fine you paid?

Mr. LEVITT. I was indicted by a grand jury, but I didn't serve no time. I think I paid a \$500 fine.

Senator WILEY. Each time?

Mr. LEVITT. Yes, sir; each time.

Senator WILEY. Then you kept right on operating? You joined up with this organization, the S. & G.?

Mr. LEVITT. I didn't do no booking then. We financed other bookies.

Senator WILEY. Was it on the basis talked about this morning; all those financial arrangements you had with the other bookies, you got 50-50 out of it?

Mr. LEVITT. That is right, sir.

Senator WILEY. This matter of where you got the news to go ahead and operate. You got it, until Continental was out of there some 2 years ago, from them; did you?

Mr. LEVITT. We got it, as far as I know, from Dave Byrnes. Who he got it from, I don't know, sir.

Senator WILEY. Was there a squeeze on by some of these Chicago folks to take over the gambling in Miami?

Mr. LEVITT. No, sir.

Senator WILEY. You know nothing about it?

Mr. LEVITT. No, sir.

Senator WILEY. Is it not a fact that that is the main reason why you folks decided to get out of the business?

Mr. LEVITT. No, sir.

Senator WILEY. No pressure from outside whatever?

Mr. LEVITT. No, sir. It looks like the newspapers put us out of business.

Senator WILEY. What?

Mr. LEVITT. It looks like the newspapers put us out of business.

Senator WILEY. You got out of it because you felt the notoriety, as stated this morning by Ben Cohen, was injurious to your loved ones?

Mr. LEVITT. That is right, sir.

Senator WILEY. You think you could have stood it, yourself?

Mr. LEVITT. I have two grown boys, sir.

Senator WILEY. Have you any other business?

Mr. LEVITT. I deal in real estate, sir.

Senator WILEY. You had been dealing in real estate previously, too, while you were connected with the S. & G.?

Mr. LEVITT. For the last 10 years; yes, sir.

Senator WILEY. Before that, you were not in the real-estate business?

Mr. LEVITT. No, sir.

Senator WILEY. Is that pretty profitable?

Mr. LEVITT. I haven't got no profit yet, but no doubt I will have.

Senator WILEY. You are getting an education now?

Mr. LEVITT. Yes, sir.

Senator WILEY. That is all.

Mr. LEVITT. Thank you.

Senator HUNT. Do you own any stocks in any banks in Chicago or New York?

Mr. LEVITT. No, sir.

Senator HUNT. Are you interested in the cleaning and dyeing establishments in Chicago?

Mr. LEVITT. No, sir.

Senator HUNT. Do you own any public-utility stocks?

Mr. LEVITT. No, sir.

Senator HUNT. Are you interested in a distillery in Chicago?

Mr. LEVITT. No, sir. I haven't been to Chicago in the last 15 years, sir.

Senator HUNT. Are you interested in any hotels?

Mr. LEVITT. No, sir.

Senator HUNT. Are you a director of any company in any line of industry or activity now?

Mr. LEVITT. No, sir.

Senator HUNT. You are not in the food-processing game?

Mr. LEVITT. No, sir.

Senator WILEY. Not even Florida orange juice?

Mr. LEVITT. No, sir.

Senator HUNT. That is all.

The CHAIRMAN. Mr. Levitt, you said that Mr. Russell had lost on his investment. You have not made a final distribution yet; have you?

Mr. LEVITT. Not yet, sir, but the first statement would show that we lost. We had a statement.

The CHAIRMAN. You have not sold your assets yet?

Mr. LEVITT. We are trying to sell them now, sir.

The CHAIRMAN. How do you dissolve a partnership unless all the partners agree? When did Russell agree to dissolve this partnership?

Mr. LEVITT. Russell didn't agree. He wasn't there. We held a meeting ourselves. There were five of us.

The CHAIRMAN. You mean without his being there?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. You were in touch with him, were you not?

Mr. LEVITT. No, sir.

The CHAIRMAN. You did not call him up?

Mr. LEVITT. No, sir.

The CHAIRMAN. Did you have a letter from him?

Mr. LEVITT. No, sir.

The CHAIRMAN. You did not take up the matter with him as to whether he wanted to dissolve the partnership or not?

Mr. LEVITT. No, sir.

The CHAIRMAN. Do you not think he is going to be awfully mad about it when he hears about it?

Mr. LEVITT. I think he will be very happy about it.

The CHAIRMAN. You think he will be very happy about it?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. Where is Mr. Russell?

Mr. LEVITT. I don't know, sir.

The CHAIRMAN. Where did you hear from him last?

Mr. LEVITT. I haven't heard from Mr. Russell in about a month.

The CHAIRMAN. Where was he then?

Mr. LEVITT. He was in Miami at that time, sir.

The CHAIRMAN. When did he leave Miami?

Mr. LEVITT. I don't know.

The CHAIRMAN. About the time you went to Jacksonville?

Mr. LEVITT. I really don't know, sir.

The CHAIRMAN. You have not had a letter or any message from him at all?

Mr. LEVITT. No, sir.

The CHAIRMAN. How about his lawyer?

Mr. LEVITT. I don't know his lawyer.

The CHAIRMAN. Have you heard from any lawyer.

Mr. LEVITT. No, sir.

The CHAIRMAN. All right.

Is there anything else, Mr. Halley?

Mr. HALLEY. Do you have any interest in the New Casablanca Hotel now being built?

Mr. LEVITT. No, sir.

Mr. HALLEY. Have you invested any money in it?

Mr. LEVITT. No, sir.

Mr. HALLEY. Has any member of your family?

Mr. LEVITT. No, sir.

Mr. HALLEY. Have you ever been in any other business than book-making?

Mr. LEVITT. No, sir.

Mr. HALLEY. When you say "real estate," you mean you invest your money in it?

Mr. LEVITT. That is right.

Mr. HALLEY. You are not a broker; are you?

Mr. LEVITT. No, sir.

Mr. HALLEY. You just take your profit from the gambling business and put it into real estate; is that right?

Mr. LEVITT. Put it in real estate; yes, sir.

Mr. HALLEY. What business have you ever had?

Mr. LEVITT. In the last 20 years, I have been in the gambling business, sir.

Mr. HALLEY. You have been a bookie?

Mr. LEVITT. That is right.

Mr. HALLEY. That is all.

The CHAIRMAN. All right, that is all, Mr. Levitt.

(Witness excused.)

The CHAIRMAN. Mr. Leo Levitt, will you come around, please?

Mr. Levitt, do you solemnly swear the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LEO LEVITT. I do.

The CHAIRMAN. All right, Mr. Halley.

**TESTIMONY OF LEO LEVITT, MIAMI BEACH, FLA., ACCOMPANIED
BY BEN COHEN, ATTORNEY, MIAMI BEACH, FLA.**

Mr. HALLEY. You are a brother of Jules Levitt?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. You heard the testimony of Ben Cohen this morning?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Is it the truth, to the best of your knowledge?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Is there anything you would want to add to it or correct about it?

Mr. LEVITT. Not a thing, sir.

Mr. HALLEY. You heard the testimony of your brother, Jules, now?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Was that substantially correct?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. Is there anything you would want to add to that or any correction you would want to make?

Mr. LEVITT. Not a thing, sir.

Mr. HALLEY. You handled the bookkeeping for the S. & G., is that right?

Mr. LEVITT. No, sir. I am the cashier.

Mr. HALLEY. The cashier?

Mr. LEVITT. That is right.

Mr. HALLEY. You signed the checks, is that right?

Mr. LEVITT. That is right, cosigner.

Mr. HALLEY. It was to you that the bookies would come for advances and for all financial relations?

Mr. LEVITT. That is right.

Mr. HALLEY. Would they come to you at the offices of S. & G.?

Mr. LEVITT. Some of them did, and some of them we had collectors go around and collect from them and pay to them.

Mr. HALLEY. What was the system? Did you collect from the bookies their daily take every day?

Mr. LEVITT. Yes, sir; the next day we would collect our pay, whatever it was the day before.

Mr. HALLEY. How often would you settle with the bookie?

Mr. LEVITT. At the end of the month; and then later on, we settled at the end of each season. Some of them were seasonal accounts and some were monthly accounts.

Mr. HALLEY. Was it in your office that they had the records of the bets that were made? As I understand, every time a bookie made a bet with the customers, he had to call that in to the S. & G.

Mr. LEVITT. No, sir; that wasn't in my office.

Mr. HALLEY. What office was that?

Mr. LEVITT. In the other office where telephones and clerks handled the bookies.

Mr. HALLEY. What office was that?

Mr. LEVITT. We had quite a few of them scattered around town.

Mr. HALLEY. Is it a fact that you actually had five going around and placing bets with these bookies, and they would call the bet in to make sure the bookie would call them in?

Mr. LEVITT. No, sir.

Mr. HALLEY. You did something to make sure the bookie wasn't holding out on you, didn't you?

Mr. LEVITT. I don't know. I never had anything to do with that.

Mr. HALLEY. You had a large payroll, didn't you?

Mr. LEVITT. Quite a few help working for us in the office.

Mr. HALLEY. What were their various capacities?

Mr. LEVITT. There was the manager's office, the clerks who handled the phones, and calculators, and a board man.

Mr. HALLEY. Didn't you have people whose duty it was to go around and check up on the operation of the bookie?

Mr. LEVITT. No, sir; not that I know of; not on our payroll.

Mr. HALLEY. Not at all?

Mr. LEVITT. Not that I know of.

Mr. HALLEY. Are you sure of that?

Mr. LEVITT. That is right.

Mr. HALLEY. If anybody had said his duty was to go around and place bets with bookies and then phone in to make sure that the bookie had reported the bet promptly to S. & G., that person would be telling an untruth?

Mr. LEVITT. That I don't know. As far as I am concerned, I didn't have anything to do with it.

Mr. HALLEY. You have no knowledge whatsoever of it?

Mr. LEVITT. That is right.

Mr. HALLEY. What were the functions of the various members of S. & G.? What did Jules Levitt do?

Mr. LEVITT. He was on the outside.

Mr. HALLEY. He didn't spend very much time on the business, did he?

Mr. LEVITT. Not that I ever seen him in the office, no, sir.

Mr. HALLEY. More on the outside. I think he spent most of his time fishing, isn't that right?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. What did he ever contribute that would justify his large income from S. & G.?

Mr. LEVITT. That I wouldn't know. I am just the cashier. I wouldn't know.

Mr. HALLEY. One of the people who originally put this thing together, is that right?

Mr. LEVITT. That is right.

Mr. HALLEY. By virtue of having joined, they controlled this large business?

Mr. LEVITT. That is right.

Mr. HALLEY. You were the cashier?

Mr. LEVITT. That is right.

Mr. HALLEY. Do you have any participation in Jules Levitt's interest?

Mr. LEVITT. No, sir.

Mr. HALLEY. What function did Rosenbaum perform?

Mr. LEVITT. Mr. Rosenbaum was up in the office as complaint manager.

Mr. HALLEY. The complaint manager?

Mr. LEVITT. That is right.

Mr. HALLEY. Who made complaints?

Mr. LEVITT. If any concessionaires had any complaints, or if they had a claim or anything, they would call Mr. Rosenbaum, and he would take care of it for them.

Mr. HALLEY. Where was his office?

Mr. LEVITT. In the Mercantile Bank Building.

Mr. HALLEY. Didn't he have his office at the top of the Cromwell Hotel?

Mr. LEVITT. Not that I know of. We had an office there, an office with phones, and clerks worked up there.

Mr. HALLEY. You had a penthouse up there?

Mr. LEVITT. There was an office up there. We had phones, and the clerks worked up there just like the other offices scattered on the beach.

Mr. HALLEY. It was a very elaborate place, the top of the Cromwell?

Mr. LEVITT. It is an office with a long table, with phones and chairs. That is all we had.

Mr. HALLEY. It has terraces and some very beautiful rooms?

Mr. LEVITT. It is a nice place; yes.

Mr. HALLEY. I might say, I wasn't there to see your operation, but the Army had it during the war, and I saw it then. Isn't it a fact that in that operation, phone calls were made all over the country to check up on bets that were placed, to make sure that nobody was putting anything over on the S. & G., and that wise money wasn't ganging up on a hot horse?

Mr. LEVITT. I think so.

Mr. HALLEY. What was the system?

Mr. LEVITT. I never was up in the office there. My office was at the Mercantile Building.

Mr. HALLEY. I understand; but from your general knowledge, what was the system?

Mr. LEVITT. I couldn't explain. I don't know much about it, really.

Mr. HALLEY. Isn't it a fact that you had telephone connections with big bookmakers throughout the country?

Mr. LEVITT. Not that I know of, sir.

Mr. HALLEY. Isn't it a fact that when a bet came in that looked suspicious, from that office at the top of the Cromwell phone calls would be made throughout the country to find out if a lot of money was being bet on the same horse in various other places?

Mr. LEVITT. That I wouldn't know, because I never was up there in charge of it or took care of it. I just took care of my own business, and that is all.

Mr. HALLEY. Who was in charge up there?

Mr. LEVITT. Well, I think Mr. Rosenbaum was in charge up there.

Mr. HALLEY. He is here today?

Mr. LEVITT. That is right.

Mr. HALLEY. In connection with your work, you signed most of the checks; is that right?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. We have certain checks here we would like you to look at and tell the committee a bit about them.

First, on the telephone company checks, would you identify these for the record? Are these typical checks made out to the Southern Bell Telephone Co.?

Mr. LEVITT. These checks represent the telephones that were in our office alone, which we used to contact the concessionaires. They haven't anything to do with the concessionaire at all. We paid these phones.

Mr. HALLEY. They were your own phones?

Mr. LEVITT. That is right.

Mr. HALLEY. You had all those phones in your own office?

Mr. LEVITT. In the different offices, that is right.

Mr. HALLEY. It would be 50 or 100 phones?

Mr. LEVITT. That is right. They were scattered around the different offices.

Mr. HALLEY. Who conducted the negotiations with the Bell Telephone Co.?

Mr. LEVITT. One of the partners. I wouldn't know.

Mr. HALLEY. Which one?

Mr. LEVITT. I wouldn't know which one it was.

Mr. HALLEY. It wouldn't be your brother? He was an outside man.

Mr. LEVITT. That is right.

Mr. HALLEY. Would it be Friedman?

Mr. LEVITT. That I don't know, sir.

Mr. HALLEY. He was also an outside man, wasn't he?

Mr. LEVITT. That is right, most of them worked on the outside.

Mr. HALLEY. Rosenbaum was the only inside man, in fact, wasn't he?

Mr. LEVITT. That is right.

Mr. HALLEY. I understand Salvey did nothing, is that right?

Mr. LEVITT. That is right, sir.

Mr. HALLEY. What was he paid for?

Mr. LEVITT. That I don't know.

Mr. HALLEY. He didn't even try to be an outside man, did he?

Mr. LEVITT. That I don't know, sir.

Mr. HALLEY. He had no functions at all, as I understand it.

Mr. LEVITT. I haven't seen him around the office.

Mr. HALLEY. Was he being paid for his relationship with Burbridge on the city council?

Mr. LEVITT. That I don't know, sir.

Mr. HALLEY. Did you never have a conversation with anybody in the phone company?

Mr. LEVITT. No, sir, I never had anything to do with that.

Mr. HALLEY. Did you ever have to arrange for telephone service, for a new line?

Mr. LEVITT. Not me, sir.

Mr. HALLEY. You never did that at all?

Mr. LEVITT. No, sir.

Mr. HALLEY. Do you know who did it?

Mr. LEVITT. You mean as far as for our own phones?

Mr. HALLEY. Yes.

Mr. LEVITT. One of the partners. I don't know which one.

Mr. HALLEY. It would have to be Rosenbaum?

Mr. LEVITT. That I wouldn't know. I never was there when he did talk to them, if he did.

Mr. HALLEY. How about the wire service? Who took care of that?

Mr. LEVITT. That I don't know. I didn't have anything to do with that.

Mr. HALLEY. You made out the checks?

Mr. LEVITT. I signed the checks. The checks were made out by the accountant.

Mr. HALLEY. Who told you how much to make them out for?

Mr. LEVITT. The service people, Mr. Byrnes, would tell us how much it was.

Mr. HALLEY. Who is Mr. Byrnes? Does he represent the wire service?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. That is the Intrastate Co.; is that correct?

Mr. LEVITT. I don't know who it was made out to or who he is.

Mr. HALLEY. You made the checks out to various companies, didn't you? You made it out to the news company over in Miami?

Mr. LEVITT. Whoever he told us, the name.

Mr. HALLEY. You mean the name would change from time to time?

Mr. LEVITT. That I don't know. I never noticed it.

Mr. HALLEY. Did he come in and tell you what to do?

Mr. LEVITT. He took the check up to the accountant's office and told the accountant who to make it out to.

Mr. HALLEY. Did you ever talk to him?

Mr. LEVITT. Oh, yes, I talked to Dave. I know him around the beach.

Mr. HALLEY. Did you talk to him at the time the wire service was cut off?

Mr. LEVITT. No, sir; I never had anything to do with that.

Mr. HALLEY. What did you do when the wire service was cut off? There must have been a lot of consternation.

Mr. LEVITT. We had service from New Orleans that was coming in for a while, and we were working.

Mr. HALLEY. Are you willing to state under oath that that service was coming from New Orleans?

Mr. LEVITT. That is right.

Mr. HALLEY. That is your sworn testimony?

Mr. LEVITT. That is right. We had a fellow in New Orleans giving it to us over the telephone.

Mr. HALLEY. You swear also that you were not getting it from any other place in Florida?

Mr. LEVITT. Not that I know of.

Mr. HALLEY. Can you explain why it was not shut off from New Orleans when it was shut off over the State of Florida?

Mr. LEVITT. That I don't know.

Mr. HALLEY. It doesn't make much sense, does it?

Mr. LEVITT. I never had anything to do with it. I don't know anything about it.

Mr. HALLEY. To the best of your knowledge, you would say it came from New Orleans?

Mr. LEVITT. That is where it came from.

Mr. HALLEY. If you had nothing to do with it, who told you?

Mr. LEVITT. That is what I heard.

Mr. HALLEY. From whom did you hear it?

Mr. LEVITT. From the different partners.

Mr. HALLEY. Which partner? Let's be specific.

Mr. LEVITT. Whoever was up in the office.

Mr. HALLEY. Who was it? Please think.

Mr. LEVITT. It might have been either Charlie or Eddie.

Mr. HALLEY. You say it might have been Charles. You mean Charles Friedman?

Mr. LEVITT. Yes.

Mr. HALLEY. Or Rosenbaum?

Mr. LEVITT. That is right.

Mr. HALLEY. Can you be more definite than that?

Mr. LEVITT. Those are the only two I can think of who were up there at the time.

Mr. HALLEY. I show you a check for \$3,000 made out to Cash, and ask you what that was for? Probably the endorsement will help you.

Mr. LEVITT. That I don't know, sir. The books reflect who this went to and what it was for.

Senator WILEY. How much is it?

Mr. LEVITT. Three thousand dollars, sir.

Senator HUNT. Who was it made to?

Mr. LEVITT. It is made out to Cash.

Senator HUNT. Who endorsed it?

Mr. LEVITT. It is Ed P-e-t-r-y.

Senator HUNT. Who is he?

Mr. LEVITT. That I don't know, sir.

Mr. HALLEY. That is P-e-t-r-y, isn't it? Don't you know him?

Mr. LEVITT. No, sir.

Mr. HALLEY. There is another endorsement on it. Can you make it out?

Mr. LEVITT. I can't make out who it is.

Mr. HALLEY. Those people mean nothing to you?

Mr. LEVITT. No, sir.

Mr. HALLEY. That is dated December 20, 1948?

Mr. LEVITT. That is right.

Mr. HALLEY. I show you another \$3,000 check made out to William Burbridge, treasurer. Will you tell the committee about that one?

Mr. LEVITT. This was the donation, it says, for Barry College.

Mr. HALLEY. It is not a donation. It is for a Trocadero dinner, it says on the check. What would that mean?

Mr. LEVITT. That I don't know.

Mr. HALLEY. What is Barry College?

Mr. LEVITT. It is a college for nuns in Miami.

Mr. HALLEY. Was Mr. Burbridge handling it?

Mr. LEVITT. That I don't know.

Mr. HALLEY. Did he give a dinner of some kind at the Trocadero?

Mr. LEVITT. I don't know.

Mr. HALLEY. You signed the check.

Mr. LEVITT. That is right.

Mr. HALLEY. On whose instructions did you sign the check?

Mr. LEVITT. The accountant might have had instructions from one of the bosses to make it out.

Mr. HALLEY. It looks very much to me that nobody seems to know anything; that you just wrote checks and you can't remember who told you. That business didn't run itself. It was a very large business. Who ran the business? Your brother was never there.

Mr. LEVITT. The business ran itself, mostly.

Mr. HALLEY. These things were pretty substantial. Checks for \$3,000 didn't write themselves.

Mr. LEVITT. One of the bosses must have called the accountant and told him to make out the check.

Mr. HALLEY. You are the cashier and you signed the check.

Mr. LEVITT. I signed the checks; that is right.

Mr. HALLEY. Which boss told you to sign it?

Mr. LEVITT. I usually sign checks up in the accountant's office. He pays bills with them that way.

Senator WILEY. How much is that check?

Mr. LEVITT. \$3,000.

Mr. HALLEY. Didn't Harry Voiler run the Trocadero?

Mr. LEVITT. The Trocadero Restaurant; yes sir.

Mr. HALLEY. He publishes a newspaper out there that has been very favorable to gambling, hasn't it?

Mr. LEVITT. Not now. It is out of business.

Mr. HALLEY. He did publish it?

Mr. LEVITT. Yes, sir.

Mr. HALLEY. It sided with the S. & G. quite frequently, didn't it?

Mr. LEVITT. I imagine it did. I don't know.

Mr. HALLEY. It was on the side of gambling?

Mr. LEVITT. That is right.

Mr. HALLEY. What was the name of that paper, the Miami Light?

Mr. LEVITT. No, the Morning Star—the Morning Mail.

The CHAIRMAN. The Miami Light is the one in Miami, and it does about the same thing. It condemns the committee and takes up for gambling operations.

Mr. LEVITT. That I don't know; just what I read, sir.

Mr. HALLEY. The S. & G. also rented office space from Voiler, did they not?

Mr. LEVITT. That is right.

Mr. HALLEY. They paid him an annual rent of \$3,000 a year?

Mr. LEVITT. That is right, whatever the books reflect on it, I don't know.

Mr. HALLEY. Over how long a period would that be?

Mr. LEVITT. I imagine the last 5 or 6 years.

Mr. HALLEY. Where were you when the committee tried to serve a subpoena last month?

Mr. LEVITT. My brother in Jacksonville was very sick. He had a stroke, and I was up there at the same time.

Mr. HALLEY. Do you also make a practice of leaving your home and office without even leaving word as to where you are?

Mr. LEVITT. My wife knew where I was.

Mr. HALLEY. Why was it impossible for the committee to get any information out of anybody at your home or your office as to your whereabouts?

Mr. LEVITT. The office was closed. It had been closed quite a while. The office has been closed. I haven't been around the office in quite a while.

Mr. HALLEY. Why wouldn't your wife be able to tell the committee if you were away on legitimate business? Why wasn't the statement made?

Mr. LEVITT. She told whoever came that I was out of town.

Mr. HALLEY. You were at a definite place where you could be reached. It was apparent you were out of town.

Mr. LEVITT. That is right.

Mr. HALLEY. Why the secrecy?

Mr. LEVITT. That I don't know.

Mr. HALLEY. They must have been your instructions.

Mr. LEVITT. She knew I was out of town, and she told the party that came to the house that I was out of town.

Mr. HALLEY. We asked where you could be reached. She knew, didn't she?

Mr. LEVITT. I guess she did.

Mr. HALLEY. Why did she say she didn't?

Mr. LEVITT. That I don't know.

Mr. HALLEY. Didn't you tell her to?

Mr. LEVITT. No, sir.

Mr. HALLEY. No further questions.

The CHAIRMAN. Senator Hunt?

Senator HUNT. I have just one question. Do you sign checks in blank?

Mr. LEVITT. Yes, sir; a lot of times I do.

Senator HUNT. You sign the checks without knowing what later is going to be written into that check?

Mr. LEVITT. That is right. It is all recorded in the book by the accountant.

Senator HUNT. That is all I have.

Senator WILEY. Does not the book account show what those are paid for?

Mr. LEVITT. It should be, in the accountant's books it should show what it was. I don't have anything to do with the books. I don't take care of them.

Mr. HALLEY. The books show that it was for wire service. I am talking about the \$3,000 check.

Mr. COHEN. Gentlemen, I know about this Barry College thing, and the Trocadero, if I may interrupt to tell you about it.

The CHAIRMAN. Surely. Tell us.

Mr. BEN COHEN. They were having a fund-raising affair for Barry College, which is a Catholic institution. Everyone who is invited there had free meals on the house, and then they all gave contributions to Barry College. Mr. Burbridge is one of the founders of Barry College, and Monsignor Barry, for whom the college was named. The S. & G. paid for the dinners of those who attended this fund-raising meeting at the Trocadero Restaurant. Mr. Burbridge is the one who evidently charged it, and he was given this check. It shows what it was for, for the Trocadero dinner. He obligated himself and the S. & G. promised to pay for it.

The CHAIRMAN. You mean the S. & G. paid \$3,000 for one dinner?

Mr. COHEN. Yes. Not for one dinner; for one gathering. They took up the whole restaurant that evening.

The CHAIRMAN. S. & G. footed the bill for the whole gang?

Mr. COHEN. For the whole thing, and the people who were there made their contributions to Barry College. They felt they could get more people there, and once you got them there they would donate, if you told them there was no charge for the dinner.

Senator WILEY. What was the other check for?

Mr. COHEN. That I don't know, Senator.

The CHAIRMAN. Does the committee staff know what it was for?

Mr. HALLEY. The other one is for wire service, according to the books.

The CHAIRMAN. Why would wire service be paid for in cash?

Mr. LEVITT. That I don't know.

The CHAIRMAN. What did your wire service run? Up to \$20,000 some weeks?

Mr. LEVITT. You mean what we paid for it?

The CHAIRMAN. Yes.

Mr. LEVITT. I really couldn't tell you. The books would reflect what they paid for it.

The CHAIRMAN. We have records here from your books, showing the wire service ran to \$2,500 a week in season, and dropped down to \$600; is that correct?

Mr. LEVITT. That is correct, sir.

The CHAIRMAN. Did you negotiate with the wire service?

Mr. LEVITT. No, sir.

The CHAIRMAN. Did you negotiate about this boat that was bought from Tony Accardo?

Mr. LEVITT. No, sir.

The CHAIRMAN. Who did that?

Mr. LEVITT. That I don't know.

The CHAIRMAN. Did you ever see the boat?

Mr. LEVITT. Yes, sir.

The CHAIRMAN. Before you bought it?

Mr. LEVITT. No, sir.

The CHAIRMAN. Who would you think negotiated it?

Mr. LEVITT. That I don't know, sir.

The CHAIRMAN. Were you consulted about buying it?

Mr. LEVITT. No, sir. I am not a partner in the organization.

The CHAIRMAN. Aren't you a partner?

Mr. LEVITT. No, sir.

The CHAIRMAN. You are just the bookkeeper?

Mr. LEVITT. Cashier, that is all, sir.

The CHAIRMAN. How much are you paid?

Mr. LEVITT. \$150 a week.

Mr. HALLEY. That is all.

The CHAIRMAN. Any other questions?

Senator WILEY. How much did you get out of the organization?

Mr. LEVITT. A salary, sir.

Senator WILEY. Just \$150 a week?

Mr. LEVITT. That is right, plus a bonus at the end of the year.

Senator WILEY. You were not really, then, a partner?

Mr. LEVITT. I am not a partner, no, sir; just an employee.

The CHAIRMAN. I believe that is all, thank you, Mr. Levitt.

(Witness excused.)

The CHAIRMAN. Mr. Rosenbaum, will you come around?

Do you solemnly swear that the testimony you will give the committee will be the whole truth and nothing but the truth, so help you God?

Mr. ROSENBAUM. I do.

**TESTIMONY OF EDWARD ROSENBAUM, MIAMI, FLA., ACCOMPANIED
BY BEN COHEN, ATTORNEY, MIAMI BEACH, FLA.**

Mr. HALLEY. What is your address?

Mr. ROSENBAUM. 1040 Venetian Way, Miami, Fla.

Mr. HALLEY. What is your business?

Mr. ROSENBAUM. We finance bookmaking.

Mr. HALLEY. And participate in the profits, is that right?

Mr. ROSENBAUM. Participate in the profits; yes, sir.

Mr. HALLEY. You also handle lay-off bets from your bookmakers?

Mr. ROSENBAUM. Yes; we do, sir.

Mr. HALLEY. Booking them directly yourselves?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. You take a very substantial part in the management of the various concessionaires who operate under you, isn't that correct?

Mr. ROSENBAUM. Yes; I am quite active in the business.

Mr. HALLEY. You watch them very carefully in their operations?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. Where were you when the committee tried to serve a subpoena in Miami for the open hearings?

Mr. ROSENBAUM. I was away on vacation, Mr. Halley.

Mr. HALLEY. Where were you?

Mr. ROSENBAUM. I was down on the Keys in Florida.

Mr. HALLEY. When did you leave?

Mr. ROSENBAUM. I left approximately a week before the committee came to Florida.

Mr. HALLEY. Were you advised by your office and your home and the newspapers and radio that the committee was trying to get in touch with you?

Mr. ROSENBAUM. I wasn't advised from home, but I naturally knew of it through the newspapers and radio.

Mr. HALLEY. Did you make any attempt to consult your counsel and find out whether or not you should come to Miami to testify?

Mr. ROSENBAUM. The reason I didn't do that, Mr. Halley, was because of the tax situation that was being reviewed, and I thought that I might be in jeopardy, and the entire tax thing might be aired in the newspapers, and I didn't think it advisable under those conditions, knowing that we eventually would appear at your request in Washington.

Mr. HALLEY. You didn't know that at the time.

Mr. ROSENBAUM. Eventually we would appear before the committee.

Mr. HALLEY. You knew sooner or later you would have to come. You couldn't run forever.

Mr. ROSENBAUM. That is it, exactly.

Mr. HALLEY. You couldn't stay fishing off the Florida Keys.

Mr. ROSENBAUM. Not very well, sir.

Mr. HALLEY. Were you one of the original founders of the S. & G. back in 1944?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. Have you been known as the inside man in the S. & G.?

Mr. ROSENBAUM. I spend most of my time, practically all of it, a good many hours during the day, in the executive offices at the Mercantile National Bank Building.

Mr. HALLEY. You conduct the operation?

Mr. ROSENBAUM. I wouldn't take credit for all that; part of it.

Mr. HALLEY. Let's see. Jules Levitt has said that he is an outside man and goes out and sees hotel owners and concessionaires and people like that, is that right?

Mr. ROSENBAUM. He did that, and would also come into the office for conferences and the like of that.

Mr. HALLEY. Where would Friedman operate?

Mr. ROSENBAUM. He would be on the outside, and also come in, naturally, for different questions which would arise relative to the business.

Mr. HALLEY. What would be Sam Cohen's function?

Mr. ROSENBLUM. Along the very same lines.

Mr. HALLEY. Outside?

Mr. ROSENBAUM. Outside, and inside for details.

Mr. HALLEY. What was Salvey's function?

Mr. ROSENBAUM. Salvey wasn't active in the company.

Mr. HALLEY. He didn't do anything?

Mr. ROSENBAUM. Very little if anything.

Mr. HALLEY. Why was he retained?

Mr. ROSENBAUM. It dates back to the fact that Mr. Salvey wasn't too well a man, a sort of neurotic and what not, a case of not being active.

Mr. HALLEY. Without again getting into specific figures, in view of the fact that you have a very significant tax case coming up, Salvey's participation was rather large, wasn't it?

Mr. ROSENBAUM. An equal share, sir.

Mr. HALLEY. He made quite a bit of money out of S. & G.?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. A very substantial amount?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. It would seem to reflect more than what you do for a sick man out of sympathy.

Mr. ROSENBAUM. He was naturally in the original formation of the company. The fact that he wasn't active was due to the fact that he wasn't too well a man. There was a sort of understanding.

Mr. HALLEY. He had certain good political connections at the city hall, too, didn't he?

Mr. ROSENBAUM. He was friendly with some people up there, sir.

Mr. HALLEY. Particularly with Burbridge, wasn't he?

Mr. ROSENBAUM. So it was understood.

Mr. HALLEY. And you believe it to be true?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. Burbridge, I think Ben Cohen testified, was the most influential member of the Miami Council.

Mr. ROSENBAUM. He is quite influential and quite popular.

Mr. HALLEY. Did you hear Ben Cohen's testimony?

Mr. ROSENBAUM. I did, Mr. Halley.

Mr. HALLEY. You were here?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. Is it substantially correct?

Mr. ROSENBAUM. I would say so.

Mr. HALLEY. Are there any changes you would like to make in it, or corrections?

Mr. ROSENBAUM. Nothing I can think of at the present time.

Mr. HALLEY. How did this inside operation run? Just what did you do? What were your functions?

Mr. ROSENBAUM. Different items would come up. People would come along and want to know if there were hotels available. We wouldn't rent them, but we would make suggestions that so-and-so hasn't been leased, and the like of that. We would review it.

Mr. HALLEY. In other words, if a bookie wanted to go into business, he would drop in on you and you would suggest where he might go to negotiate for a hotel concession, is that right?

Mr. ROSENBAUM. I would try to point out certain places that I knew of that were available. You hear that by the grapevine and by deduction.

Mr. HALLEY. Then he would go to the hotel and try to get the concession?

Mr. ROSENBAUM. That is it, exactly, sir.

Mr. HALLEY. If he got it, he then entered into your business on the basis that we have been discussing?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. That is, he bought the wire service from you?

Mr. ROSENBAUM. We would finance the proposition and give him the wire service.

Mr. HALLEY. When you say you would finance the proposition, what do you mean by that?

Mr. ROSENBAUM. Finance the bookie.

Mr. HALLEY. What financing does the bookie need?

Mr. ROSENBAUM. Just the general operation of it. In other words, when wagers were made, he had to pay the wagers that were bet.

Mr. HALLEY. Most of these people had a backlog necessary in the bookmaking business?

Mr. ROSENBAUM. It took considerable, and a lot of them wouldn't have enough left to finance themselves in the actual wagering.

Mr. HALLEY. Some of the concessions weren't so expensive, some were around \$3,000, \$4,000, or \$5,000 a year.

Mr. ROSENBAUM. There were some in that price bracket.

Mr. HALLEY. They were paid in installments through the season, weren't they?

Mr. ROSENBAUM. In late years, I would say the majority of them were on the cash basis.

Mr. HALLEY. The books show a great many of them are on the installment basis.

Mr. ROSENBAUM. They made payments, that is very possible.

Mr. HALLEY. Many of these bookies could finance themselves. It wasn't such a tremendous problem, was it?

Mr. ROSENBAUM. I don't know about its being a problem. I know a good many of them would approach us and we would finance the venture.

Mr. HALLEY. And a good many of them wouldn't need financing, isn't that right?

Mr. ROSENBAUM. It could be possible.

Mr. HALLEY. Isn't it the fact? You didn't finance everybody, did you?

Mr. ROSENBAUM. All those we did business with, we did; yes, sir.

Mr. HALLEY. You mean you financed everyone you did business with?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. To what extent?

Mr. ROSENBAUM. Of taking their business and paying the losses as it went along, and participated in the profits.

Mr. HALLEY. That is not financing them. You just became a partner. What happened was that they would open the book. At the

end of the first day, there might be a loss, but generally there was a profit. Isn't that right?

Mr. ROSENBAUM. Sometimes there would be a profit, and other times they would sustain a loss, according to the day's business.

Mr. HALLEY. There obviously was more often a profit than a loss?

Mr. ROSENBAUM. I would say generally.

Mr. HALLEY. At the end of the first day, then, in the usual case, the man would have a profit, is that right, say, of \$300 or \$400 or \$1,000 profit in the till?

Mr. ROSENBAUM. In some cases; in other cases they would go on for days sustaining a loss, according to the results.

Mr. HALLEY. The ordinary thing was a profit? It was a profitable business, wasn't it?

Mr. ROSENBAUM. Yes; I would say it was a profitable business.

Mr. HALLEY. Therefore, in the usual case there would be a profit, is that not right?

Mr. ROSENBAUM. I think you can take that for granted.

Mr. HALLEY. Your agents came around and collected that cash and you held it in what I think Mr. Ben Cohen has described as a trust account.

Mr. ROSENBAUM. That is right, or if it was a loss we naturally would pay him for his loss.

Mr. HALLEY. But it was most usually a profit?

Mr. ROSENBAUM. It is hard to say.

Mr. HALLEY. Obviously, if the business runs at a profit over the course of a year, you come out with a very substantial profit running into many thousands of dollars?

Mr. ROSENBAUM. Over a period of time.

Mr. HALLEY. Most of the time you would be showing a profit. We have the sheets here, if you want to see a typical sheet, or isn't it necessary?

Mr. ROSENBAUM. That is not necessary, Mr. Halley. The point I was trying to make is that there are losing days and winning days.

Mr. HALLEY. Surely, but generally they are winning days?

Mr. ROSENBAUM. Generally, I would say yes.

Mr. HALLEY. When they won, you came along and collected all the winnings and held them for the bookie?

Mr. ROSENBAUM. That is right.

Mr. HALLEY. And settled up at some later time?

Mr. ROSENBAUM. That is right.

Mr. HALLEY. Why wouldn't it be more accurate to say the bookies were financing you?

Mr. ROSENBAUM. I don't have the answer to that.

Mr. HALLEY. You were taking their money and holding it. It seems to me the bookies were for the most part financing you.

Mr. ROSENBAUM. I don't have an answer to that version of it.

Mr. HALLEY. I have been trying to get some light on this operation of the Cromwell Hotel. Can you tell the committee about that?

Mr. ROSENBAUM. The Cromwell Hotel, we had an office, a number of offices, and that was one of them at the Cromwell. In addition to that, we would receive information there, that is, a check on horses.

Mr. HALLEY. Just what happened? That is a phase of the operation that hasn't been brought out.

Mr. ROSENBAUM. I will explain it. In other words, in this particular business, some business is undesirable, meaning hot horses, to use the vernacular. In order to be posted on that, we would call throughout the country different places for that particular information.

Mr. HALLEY. A hot horse is a horse on which suddenly there appears just too much money to be justified by the normal situation, is that right?

Mr. ROSENBAUM. That is it, exactly, yes, sir.

Mr. HALLEY. If anybody tries to make a killing on a hot horse, he places money all over the country so it won't be too apparent?

Mr. ROSENBAUM. That is part of it, and the other part is that certain horses other than hot horses, certain horses that you just want to check to see whether or not you have a fair risk in it.

Mr. HALLEY. Where would you call to check up on the experience of other bookmakers?

Mr. ROSENBAUM. I didn't call, Mr. Halley.

Mr. HALLEY. Where would the calls be made?

Mr. ROSENBAUM. Different towns, I imagine.

Mr. HALLEY. You know. It was under your direction.

Mr. ROSENBAUM. Jersey, Chicago, and throughout, you know.

Mr. HALLEY. You had, then, a general arrangement with various bookies in other places, didn't you?

Mr. ROSENBAUM. An arrangement?

Mr. HALLEY. Yes.

Mr. ROSENBAUM. We just exchanged information.

Mr. HALLEY. You had an arrangement to exchange information, is that right?

Mr. ROSENBAUM. Yes. That is part of the business.

Mr. HALLEY. In fact, when the track was open and the races were going along hot and heavy, you had open wires, didn't you?

Mr. ROSENBAUM. What do you mean by "open wires"?

Mr. HALLEY. You didn't have—if I wanted to call New Jersey from Florida, I have to get the operator and ask for long distance and go through a fairly long rigmarole before I get through. You had a wire that stayed open during the races?

Mr. ROSENBAUM. Not to my knowledge, sir.

Mr. HALLEY. How would you get that information in time to be useful?

Mr. ROSENBAUM. They would make a call. They called certain offices to find out what knowledge they had on that particular horse.

Mr. HALLEY. Did you make that call, through, before the race started, and keep that wide open through the race period?

Mr. ROSENBAUM. I wasn't in that particular office, and I didn't make any calls. I know there were no open wires. They wouldn't be any occasion for an open wire.

Mr. HALLEY. The wire was held open. The call was put in and the call was kept in during the racing day, was it not?

Mr. ROSENBAUM. No, sir; not to my knowledge.

Mr. HALLEY. Where were the calls made?

Mr. ROSENBAUM. Different points.

Mr. HALLEY. Jersey?

Mr. ROSENBAUM. Yes.

Mr. HALLEY. Where in Jersey?

Mr. ROSENBAUM. Probably Newark.

Mr. HALLEY. Who was your contact there?

Mr. ROSENBAUM. I didn't have a contact there. I don't handle, that, Mr. Halley.

Mr. HALLEY. You had employees, salaried employees, didn't you?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. They operated under your direction?

Mr. ROSENBAUM. Not solely mine. Generally, the company.

Mr. HALLEY. You must have known who they were checking their information with. It is pretty important information.

Mr. ROSENBAUM. I didn't handle that branch of it, sir.

Mr. HALLEY. Who did?

Mr. ROSENBAUM. An uncle of mine.

Mr. HALLEY. What is his name?

Mr. ROSENBAUM. George Rosenbaum.

Mr. HALLEY. Is he here in Washington?

Mr. ROSENBAUM. No, sir.

Mr. HALLEY. But he is available?

Mr. ROSENBAUM. I imagine so.

Mr. HALLEY. He would know just who was contacted in the various places?

Mr. ROSENBAUM. I should say "Yes" to that.

Mr. HALLEY. You would contact other bookies in Newark, Chicago, and where else?

Mr. ROSENBAUM. As far as California.

Mr. HALLEY. As far as California?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. This would be a daily occurrence?

Mr. ROSENBAUM. I would say daily.

Mr. HALLEY. In fact, it was a pretty important part of the business?

Mr. ROSENBAUM. It was very important to protect your interests.

Mr. HALLEY. What do you know about the purchase of a boat from Tony Accardo?

Mr. ROSENBAUM. I know about the boat; yes, sir.

Mr. HALLEY. Will you tell the committee about it?

Mr. ROSENBAUM. Yes, sir. Mr. Sam Cohen, one of our associates, owned the boat called the *Judy*. We made an arrangement whereby myself and my associates could use the boat and pay the charges, the captain and the like. One of the members of the company came along and suggested something a little better, and said there was a boat available over at the boat yards in Fort Lauderdale.

Mr. HALLEY. What member came along and suggested that?

Mr. ROSENBAUM. Mr. Russell.

Mr. HALLEY. Harry Russell?

Mr. ROSENBAUM. That is right. I talked it up a little bit, because I am quite a fishing enthusiast. He was quite sold on it. A couple of members of the company didn't think they wanted to invest in the boat. We kept reviewing it. Finally Mr. Russell and I went to Fort Lauderdale, to the Rody Boat Yard. We looked at the boat, which was then *Clara Jo*.

Mr. HALLEY. What happened when you got there? What made you decide to buy the boat?

Mr. ROSENBAUM. We didn't decide to buy it then. We looked at it and it was very good, a fairly good buy. We came back and talked

it up again. It was quite a while later when we finally made a decision to buy it.

Mr. HALLEY. Were some of the members against it?

Mr. ROSENBAUM. Yes.

Mr. HALLEY. What finally persuaded them? How did Russell prevail upon you to buy the boat?

Mr. ROSENBAUM. I probably had as much to do with it as Russell. As I say, I am a boat enthusiast and kind of lean that way. We finally convinced the others and we purchased the boat.

Mr. HALLEY. How do you account for the fact that the price was exactly the same as the price that Russell paid to get into S. & G.?

Mr. ROSENBAUM. That has no bearing on it, Mr. Halley. The asking price originally on the boat, I believe, was \$22,000. You can check at the Rody Boat Yard. I believe that was the price. We offered \$18,000 for it and nothing happened at that and eventually the price was settled on at \$20,000.

Mr. HALLEY. Did you feel any squeamishness about getting into a transaction with Tony Accardo?

Mr. ROSENBAUM. I had no transaction with Tony Accardo.

Mr. HALLEY. You paid \$20,000 in checks to him.

Mr. ROSENBAUM. I had no transaction with him at all.

Mr. HALLEY. Didn't you consider that a transaction?

Mr. ROSENBAUM. What I am trying to say is that I never met Accardo and haven't met him to this day and didn't know at the time that he was the owner of the boat. Mr. Russell suggested—

Mr. HALLEY. That is absurd.

Mr. ROSENBAUM. I am sorry, it is not absurd. I am telling the truth. Just that. I never met the gentleman and never negotiated with the gentleman for the boat and don't know him to this day.

Mr. HALLEY. Who instructed your cashier to make out three checks, one for \$10,000 and two for \$5,000 to Tony Accardo?

Mr. ROSENBAUM. That was reviewed in the office and eventually it came out when we got the papers, the very first time I knew of any Accardo being the owner of the boat.

Mr. HALLEY. At that point did you want to back out?

Mr. ROSENBAUM. Well, we didn't back out. It was just a coincidence.

Mr. HALLEY. At that point didn't you realize Russell had gotten you into a deal with his Chicago associate?

Mr. ROSENBAUM. We didn't know of any Chicago associates.

Mr. HALLEY. You knew Russell had been a bookie in Chicago.

Mr. ROSENBAUM. The owner of a bar and also some booking interests, I believe.

Mr. HALLEY. Russell's Bar?

Mr. ROSENBAUM. I believe so.

Mr. HALLEY. He was connected with a fellow named Ralph Pierce.

Mr. ROSENBAUM. I don't know Ralph Pierce.

Mr. HALLEY. He was also reputed to be in the booking business with Tony Accardo some years back.

Mr. ROSENBAUM. Other than what I have read in the papers, we never knew or had any knowledge of any connections along those lines.

Mr. HALLEY. Weren't you even interested in finding out who you were getting into business with?

Mr. ROSENBAUM. We just knew of the man as being all right in that particular line of endeavor and didn't know of any association.

Mr. HALLEY. Who handled this wire-service deal?

Mr. ROSENBAUM. The wire-service deal?

Mr. HALLEY. Who did the negotiations on the wire service?

Mr. ROSENBAUM. As a rule, Charles Friedman knew a little bit more about that than the other associates. It was reviewed in the office. Mr. Byrnes would come in and we would sort of haggle a price. Charlie would sort of take upper hand in that matter.

Mr. HALLEY. Did you deal mainly with Byrnes, you and Charlie Friedman?

Mr. ROSENBAUM. Yes, I would say. Charlie and I and possibly another member.

Mr. HALLEY. What happened when the wire service was cut off in the month of February 1949?

Mr. ROSENBAUM. We went out of town for service.

Mr. HALLEY. Where did you go?

Mr. ROSENBAUM. New Orleans.

Mr. HALLEY. Where else?

Mr. ROSENBAUM. That is all to my knowledge.

Mr. HALLEY. How did you get your service from New Orleans?

Mr. ROSENBAUM. Some would call it in by telephone.

Mr. HALLEY. Who phoned it to New Orleans?

Mr. ROSENBAUM. It was phoned from New Orleans.

Mr. HALLEY. How did it get to New Orleans?

Mr. ROSENBAUM. That I don't know. We had a man stationed in New Orleans, in an office.

Mr. HALLEY. Who provided it to the New Orleans office?

Mr. ROSENBAUM. Some office there, I don't know the name of the party.

Mr. HALLEY. You must know where you got it from.

Mr. ROSENBAUM. I know we got it from New Orleans but I don't know the name of the office that this particular party sat in to make the calls and relay the information.

Mr. HALLEY. What particular party provided the service to you?

Mr. ROSENBAUM. I don't know the name of the bookie.

Mr. HALLEY. Did you ever know?

Mr. ROSENBAUM. No.

Mr. HALLEY. How did you arrange to get it?

Mr. ROSENBAUM. We sent someone in there.

Mr. HALLEY. Who did you send?

Mr. ROSENBAUM. A chap by the name of Eddie.

Mr. HALLEY. Eddie who?

Mr. ROSENBAUM. We call him Captain Eddie.

Mr. HALLEY. What is his full name?

Mr. ROSENBAUM. I really don't know; I can find out. I really don't know.

Mr. HALLEY. Was it Mooney?

Mr. ROSENBAUM. That is right; yes.

Mr. HALLEY. Eddie Mooney?

Mr. ROSENBAUM. That is correct.

Mr. HALLEY. Did he go to New Orleans?

Mr. ROSENBAUM. That is right.

Mr. HALLEY. He made arrangements with somebody there?

Mr. ROSENBAUM. That is right.

Mr. HALLEY. Where is Eddie Mooney now?

Mr. ROSENBAUM. I really don't know, sir.

Mr. HALLEY. Did he work for S. & G.?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. Did he work for you through 1950?

Mr. ROSENBAUM. He worked until our closing day, I believe.

Mr. HALLEY. Until just a few weeks ago.

Mr. ROSENBAUM. We have been out of business quite a while. We dissolved recently, but we have been closed for quite a while.

Mr. HALLEY. Has his residence been in Miami?

Mr. ROSENBAUM. Miami Beach, I believe.

Mr. HALLEY. How were your relations with Craig over in Miami?

Mr. ROSENBAUM. I know of Mr. Craig, but I didn't have any dealings with Mr. Craig.

Mr. HALLEY. Have you ever met Mr. Craig?

Mr. ROSENBAUM. I have met Mr. Craig.

Mr. HALLEY. Did Craig provide you with any wire service?

Mr. ROSENBAUM. No, sir; he did not.

Mr. HALLEY. None whatever?

Mr. ROSENBAUM. No, sir.

Mr. HALLEY. When the service was off what effort did you make to get it resumed?

Mr. ROSENBAUM. It went off throughout the State and we just sort of waited out the conditions to see if there was a change.

Mr. HALLEY. That is not quite so. It first went out for S. & G. didn't it, and everybody else was getting it?

Mr. ROSENBAUM. It may have been. I don't remember whether that was so or not. I thought it was throughout the State.

Mr. HALLEY. As the inside man you must have been under great pressure from your bookies.

Mr. ROSENBAUM. A little bit at times.

Mr. HALLEY. They closed down for a period, didn't they?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. About 2 weeks?

Mr. ROSENBAUM. I believe so.

Mr. HALLEY. They must have been very unhappy about that.

Mr. ROSENBAUM. Not too well satisfied. They would prefer being in business.

Mr. HALLEY. There must have been considerable pressure on you to do something about it.

Mr. ROSENBAUM. That is a part of your duty, I suppose to try to furnish the service that we were selling.

Mr. HALLEY. What did you do with Mr. Byrnes and the other people of the wire service? Did you go to them and say why have you shut down this service?

Mr. ROSENBAUM. I imagine we consulted with them. It would be natural for us to do that.

Mr. HALLEY. Let's get away from imagination. What happened?

Mr. ROSENBAUM. I just don't remember the details on it, Mr. Halley.

Mr. HALLEY. Let's get this: In the month of February 1949 you were paying the very goodly sum of \$2,500 a week to the Intrastate News Service for wire service?

Mr. ROSENBAUM. I believe that figure is correct.

Mr. HALLEY. That is a substantial amount of money to pay every week?

Mr. ROSENBAUM. That is true.

Mr. HALLEY. You were paying it to get some service?

Mr. ROSENBAUM. That is correct.

Mr. HALLEY. That service was shut off?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. You were entitled to loud and raucous con-

Mr. ROSENBAUM. We didn't like it any too well.

Mr. HALLEY. What did you do?

Mr. ROSENBAUM. We called Mr. Byrnes in and wanted to know what the reason for eliminating the service was. We got a sort of evasive answer, if I remember correctly.

Mr. HALLEY. He admitted he cut it off?

Mr. ROSENBAUM. I don't know about admitting that but we do know it was cut off.

Mr. HALLEY. He admitted that it had been just cut off is that right?

Mr. ROSENBAUM. I don't think it came up just that way, my.

Mr. HALLEY. In what way did it come up? Who was present besides yourself and Mr. Byrnes?

Mr. ROSENBAUM. I imagine Mr. Friedman may have been present, possibly Mr. Levitt.

Mr. HALLEY. Think now. Let's try to avoid the imagination here and get the facts.

Mr. ROSENBAUM. There aren't any facts that I can really explain because I just don't know too much detail.

Mr. HALLEY. I think you are just evading it. I think you can explain it very well. I think you must know the detail. It happened just a year ago and it was a very important thing in your business. I would like to get an answer.

Mr. ROSENBAUM. I don't know the answer for it, sir.

Mr. HALLEY. Your wire service was cut off?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. Intrastate cut it, obviously.

Mr. ROSENBAUM. I imagine it was cut from the source.

Mr. HALLEY. You bought it directly from Intrastate; is that right?

Mr. ROSENBAUM. It was Byrnes' company, whatever it was.

Mr. HALLEY. They were the people you had to go to to get it resumed?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. Did Byrnes come to your office or did you go to their office?

Mr. ROSENBAUM. I imagine he came to our office. I never did go or any of our associates that I know of to his office.

Mr. HALLEY. You never went to the Intrastate office?

Mr. ROSENBAUM. No, sir.

Mr. HALLEY. Byrnes came to your office?

Mr. ROSENBAUM. Byrnes came to our office on all occasions.

Mr. HALLEY. Did he or didn't he come on this occasion?

Mr. ROSENBAUM. I believe he did, sir.

Mr. HALLEY. How many days after the cut-off did this happen?

Mr. ROSENBAUM. When he came to the office?

Mr. HALLEY. Yes.

Mr. ROSENBAUM. I really couldn't truthfully say just when. I imagine within a day or two, I presume.

Mr. HALLEY. When it was cut off you must have gotten on the phone and made a frantic phone call very fast, did you not?

Mr. ROSENBAUM. Undoubtedly; yes, sir.

Mr. HALLEY. Yes or no.

Mr. ROSENBAUM. I imagine we did do just that, either one or the other.

Mr. HALLEY. I don't want the answer "I imagine" any more. Did you call Byrnes?

Mr. ROSENBAUM. I personally didn't call him, if that is what you are referring to.

Mr. HALLEY. Did you talk to Friedman about it?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. Did you agree that he would call?

Mr. ROSENBAUM. I don't know about the agreement. More than I would call, I imagine.

Mr. HALLEY. Was it understood that he would call?

Mr. ROSENBAUM. I couldn't say definitely because I just don't know. He may have called right then and there at that time. Whether he made the call or not, I would have no way of knowing. I would take for granted that he did.

Mr. HALLEY. Then Byrnes showed up immediately, is that right, at your office?

Mr. ROSENBAUM. There was a meeting with Byrnes shortly after the service was cut off.

Mr. HALLEY. Within a day or so?

Mr. ROSENBAUM. I would say around that.

Mr. HALLEY. Who was present? Were you there at this meeting with Byrnes?

Mr. ROSENBAUM. I was at a good many meetings. Whether I was there at that particular time or not I couldn't say, Mr. Halley.

Mr. HALLEY. This was a very important meeting. Your wire service had just been shut off. You were the inside man responsible for getting this tremendous business running. You know that even in 1949 your business was over \$15,000,000, gross. Even with the shut-off in the middle of the season, it was a big business. The wire service was shut off and you sit there and try to tell me you don't know whether you were present or not at the conference.

Mr. ROSENBAUM. I may have been. I am not trying to deny the fact I was. It is very possible I was, but I just don't remember the incident.

Mr. HALLEY. It is not an incident. This is one of the most vital business conferences you have ever had in your life, in my opinion. Your wire service was shut off without explanation. Byrnes came down to talk about it. I want to know who talked to Byrnes.

Mr. ROSENBAUM. I couldn't truthfully answer that, Mr. Halley. If I could I would.

Mr. HALLEY. You could if you wanted truthfully to answer it.

Mr. ROSENBAUM. I beg to differ with you. If I actually knew who talked to him at the time I would tell you.

Mr. HALLEY. Do you remember whether you ever had a conversation with Byrnes about the shutting off of the wire service?

Mr. ROSENBAUM. I don't think I talked with him on that matter.

Mr. HALLEY. You have never talked to Byrnes?

Mr. ROSENBAUM. On that matter. I have talked to Mr. Byrnes.

Mr. HALLEY. I want to know whether you ever talked to Byrnes about the shutting off of the wire service.

Mr. ROSENBAUM. No; I don't believe I did, sir.

Mr. HALLEY. Then you would not have been at the conference.

Mr. ROSENBAUM. I may have been present in the office. I may have spoken to him in another anteroom or again it may have come up some way there. I just don't remember.

Mr. HALLEY. You mean Byrnes came to the office for a conference about the shut-off, but you were not present at the actual discussion. Is that your testimony?

Mr. ROSENBAUM. That is it. I was not present to my knowledge.

Mr. HALLEY. Not to your knowledge. You know. Your knowledge is very complete on whether you were there or not.

Mr. ROSENBAUM. I just don't remember the incident.

Mr. HALLEY. I won't take an "I don't remember" answer to anything that important. You just think. Either you were there or you weren't there. Which is it?

Mr. ROSENBAUM. More than likely I was in the office, but I don't remember being in on the conference with him.

Mr. HALLEY. You mean you were on the premises. Were you in the room where the conference took place?

Mr. ROSENBAUM. I don't believe I was.

Mr. HALLEY. Who was in the room?

Mr. ROSENBAUM. I don't remember. Mr. Friedman may have been.

Mr. HALLEY. May I ask, Senator Hunt, to call Mr. Friedman and let's just swear him in and find out whether or not we are going to get that testimony?

Senator HUNT. Is Mr. Friedman in the committee room? [No response.]

Mr. HALLEY. Is he the one we were unable to serve?

Mr. BEN COHEN. That is correct, sir.

Mr. HALLEY. Mr. Cohen, can you explain why all the other members of the S. & G. have accepted service and Friedman has not?

Mr. BEN COHEN. I can give you my idea of it. I have talked with Friedman; I have pleaded with him to come in. He says that "With my education, no matter what I try to say, they are going to mix me up to where I would just be a monkey."

I think it is his lack of education and lack of ability to express himself that causes him to stay away. I have been in touch with him. I have begged him, "Please come in," and he is a very stubborn man. I can't get him to do it. I mean I couldn't.

Mr. HALLEY. Mr. Cohen, were you at this conference concerning the shut-off of the wire service?

Mr. COHEN. No.

Mr. HALLEY. Were you at any conference?

Mr. COHEN. No. I never sat in on any of their business dealings.

Mr. HALLEY. You wouldn't know who did confer with Byrnes concerning the shut-off of the wire service?

Mr. COHEN. No; I would not know that.

Mr. HALLEY. Getting back to your testimony, do you know if Sam Cohen was at that conference?

Mr. ROSENBAUM. I really don't know, Mr. Halley.

Mr. HALLEY. You mean we will have to call every member of the syndicate to find out who was present at that conference?

Mr. ROSENBAUM. I just don't remember; I really don't.

Mr. HALLEY. You can state of your own definite knowledge that you were not at the conference?

Mr. ROSENBAUM. I was not at the conference.

Mr. HALLEY. You were not in the room while the shut-off of the wire service was being discussed?

Mr. ROSENBAUM. Not to my knowledge, sir.

Mr. HALLEY. Is there any reason why you wouldn't know whether you were in the room or not?

Mr. ROSENBAUM. No reason why I wouldn't know. I just don't recall being present.

Mr. HALLEY. Eventually the wire service was restored?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. Do you know how that happened?

Mr. ROSENBAUM. No; I don't know how that happened, sir.

Mr. HALLEY. Who told you the wire service was going on?

Mr. ROSENBAUM. We just got a call that the service was being resumed.

Mr. HALLEY. There was more to it than that. For instance, when the service was resumed, you paid your tribute of \$2,500 a week for the period during which you got no service. I call it tribute because you were paying for no service.

Mr. ROSENBAUM. That is very possible.

Mr. HALLEY. It is not possible. It happened.

Mr. ROSENBAUM. I mean it is possible that it was paid.

Mr. HALLEY. Your books show it was paid.

Mr. ROSENBAUM. I think undoubtedly it was.

Mr. HALLEY. You were the man in charge of the entire operations?

Mr. ROSENBAUM. No; I think you have that picture wrong.

Mr. HALLEY. Let's get the picture right.

Mr. ROSENBAUM. I mean I was just one of the company. I wasn't there at all times and didn't negotiate all those transactions.

Mr. HALLEY. Who negotiated the resumption of the wire service and the price to be paid?

Mr. ROSENBAUM. There is a possibility that Charles Friedman did that. As I say, he was posted more on that branch of the business.

Mr. HALLEY. Is it your sworn testimony that you had nothing whatsoever to do with negotiations leading to the resumption of the wire service?

Mr. ROSENBAUM. That is correct, sir.

Mr. HALLEY. You want to stand on the statement that you had nothing whatsoever to do with the negotiation for the resumption of the wire service?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. Did the shut-off of the wire service have a very substantial effect on your agreement to take Harry Russell in as a partner?

Mr. ROSENBAUM. Not to my knowledge, sir.

Mr. HALLEY. Are you sitting there and saying it is just a coincidence that this wire service was shut off and that then a few days later it was agreed to take Russell in?

Mr. ROSENBAUM. Russell was taken in for the reasons given today: That the man started to negotiate with hotel owners. Some of the choice ocean-front hotels, which is really the major portion of our business, and a good many of the hotels were controlled by Chicago interests, Shellburn, Saxony, Robert Richter, and the Seaview, the like of that. It looked as though that would be quite a loss to our organization.

Mr. HALLEY. In fact, the wire service is controlled by Chicago interests, too; isn't that so?

Mr. ROSENBAUM. I am not familiar with that other than what you read and hear.

Mr. HALLEY. That is what you read and hear; isn't it? You don't really know who controls the Saxony and the Richter and these other hotels except what you read and hear?

Mr. ROSENBAUM. That is true.

Mr. HALLEY. Let's get the facts. Isn't your knowledge to the effect that the wire service is also controlled out of Chicago?

Mr. ROSENBAUM. That seems to be the talk generally. I have no actual proof, Mr. Halley, if that is what you want.

Mr. HALLEY. You have no actual proof of who owns the Saxony either; do you?

Mr. ROSENBAUM. Yes; I happen to know the owner, Mr. Sachs.

Mr. HALLEY. Have you seen the papers on the Saxony?

Mr. ROSENBAUM. No, sir.

Mr. HALLEY. On the Robert Richter?

Mr. ROSENBAUM. No, sir.

Mr. HALLEY. And on the Seaview?

Mr. ROSENBAUM. No; I haven't other than what you learn——

Mr. HALLEY. From common knowledge?

Mr. ROSENBAUM. Common knowledge; correct, sir.

Mr. HALLEY. It is common knowledge that Chicago interests control the wire service; isn't it?

Mr. ROSENBAUM. Yes, sir; I would say "yes."

Mr. HALLEY. Do you sit there and say it is a fact that this wire service, which is controlled out of Chicago, was suddenly turned with no explanation, had nothing to do with your taking in Harry Russell?

Mr. ROSENBAUM. No, sir.

Mr. HALLEY. There has been some testimony that Russell was brought in to take care of baseball operations.

Mr. ROSENBAUM. That was part of the deal when we negotiated with him.

Mr. HALLEY. You have never had any baseball operations; have you?

Mr. ROSENBAUM. Prior to that, we didn't have.

Mr. HALLEY. Did you have after that?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. Nothing shows on your books. Can you account for that?

Mr. ROSENBAUM. That was in the concessionaires' accounts. In other words, that was the same type of business.

Mr. HALLEY. How did Russell handle it?

Mr. ROSENBAUM. He knew the formula of the baseball operation. We weren't familiar with it.

MR. HALLEY. How much baseball business did you do?

MR. ROSENBAUM. Offhand, I couldn't say, but we can check on it and give you that.

MR. HALLEY. How can you check? It doesn't show anywhere in your books.

MR. ROSENBAUM. It was included in the horse activities.

MR. HALLEY. You say it might have been included in the total in's?

MR. ROSENBAUM. That is right.

MR. HALLEY. How are you going to separate out the in's on the basis of your books today? They don't have one word in them about baseball.

MR. ROSENBAUM. That is the way it was handled. It was included in the horse records.

MR. HALLEY. There is no way of showing there was any baseball at all.

MR. ROSENBAUM. There definitely was baseball activity.

MR. HALLEY. But there is no way you can show it or show how much of it there was in your own books, is there?

MR. ROSENBAUM. I imagine it would be hard to do it because it was included in the other activity.

MR. HALLEY. It would be impossible if the word "baseball" nowhere appears in your books.

MR. ROSENBAUM. I am saying it was included in the regular horse activities.

MR. HALLEY. You couldn't go to your own books and show any evidence whatsoever of baseball activity?

MR. ROSENBAUM. With that breakdown, I don't think we could.

MR. HALLEY. I have no other questions.

Senator HUNT (presiding). Senator Wiley?

Senator WILEY. Have you any judgment what percentage of your income came from what you call baseball?

MR. ROSENBAUM. Not very much, Senator.

Senator WILEY. I have listened to this story in which I think you practically admitted that you and another one of your partners were really the active heads there in managing that office. Is that right?

MR. ROSENBAUM. I would say we were there quite a little bit more than others. I would put it that way. You may say that we were a little more active on the inside.

Senator WILEY. You mean Friedman?

MR. ROSENBAUM. Yes, sir.

Senator WILEY. I want to be fair with you. Your lifeblood was cut off when this telegraph business was discontinued, was it not?

MR. ROSENBAUM. Yes, sir.

Senator WILEY. Do you want to say that you didn't, as a matter of just common sense, get busy and find out what it was all about?

MR. ROSENBAUM. When those things happen, they just happen; and you wait for the matter to be adjusted and resume your operation and resume your service.

Senator WILEY. But you are no child. You would immediately get into action and try to adjust it; would you not? Isn't that what you did?

MR. ROSENBAUM. That would be the natural thing to do.

Senator WILEY. Did you not do that?

Mr. ROSENBAUM. We checked around——

Senator WILEY. What do you mean by "checked around"?

Mr. ROSENBAUM. I mean to find out. We were just cut off, and we wanted to know why.

Senator WILEY. Whom did you check with and why?

Mr. ROSENBAUM. We probably checked with Mr. Byrnes.

Senator WILEY. Probably. What did Byrnes say?

Mr. ROSENBAUM. Offhand, I don't remember, Senator; just what the answer was at that particular time.

Senator WILEY. Apparently whatever you did was effective, because in the course of 2 weeks you got it back.

Mr. ROSENBAUM. That is true; yes, sir. It was resumed.

Senator WILEY. During those 2 weeks, isn't it a fact that Russell came in?

Mr. ROSENBAUM. I believe it was pretty nearly around that time, sir.

Senator WILEY. Do you mean to tell this committee that your transactions with Russell had nothing to do with getting the wire back?

Mr. ROSENBAUM. The transaction with Russell was because of this move to obtain some of the hotel concessions which he wanted.

Senator WILEY. Then, what caused you to get the wire back?

Mr. ROSENBAUM. I don't know, Senator.

Senator WILEY. I repeat the question: Do you mean to say that at this time you have no recollection as to what caused the wire to be stopped and what caused the wire to come on again?

Mr. ROSENBAUM. No; I do not know, sir.

Senator WILEY. Do you think that sounds reasonable?

Mr. ROSENBAUM. That is the exact condition. I just don't know.

Senator WILEY. Is it a fact that the Chicago gang was trying to "muscle in" on you?

Mr. ROSENBAUM. No, sir.

Senator WILEY. You don't say that very emphatically.

Mr. ROSENBAUM. It is true. There was no "muscling" process that I was familiar with.

Senator WILEY. Have you any reasonable explanation of this occurrence which cut off the very lifeblood of your business? Have you ever dreamed about what caused it or ever thought about what caused it?

Mr. ROSENBAUM. I just don't know, sir.

Senator WILEY. No; but I asked you, Have you done any thinking about it?

Mr. ROSENBAUM. You kind of review it in your mind a little bit, I imagine.

Senator WILEY. That word "imagine" is a handy word at times, but it doesn't give us any real basis here. Suppose the average businessman were in business, and something like this occurred, and all at once his business was stopped, you as a reasonable man must realize he would want to know what stopped it. Did you not want to know what stopped it?

Mr. ROSENBAUM. True. It was just a case of the service being discontinued. There was nothing much we could do about it. We waited out until it was resumed, Senator. There was no move we could make to correct it until whatever the matters were they had to adjust

were adjusted, and they could resume service. They were selling us this service, and we just had to wait for them to service us.

Senator WILEY. How did you get to the point where you paid them for the 2 weeks that they didn't service you? How did you arrive at that decision? Someone must have arrived at it.

Mr. ROSENBAUM. I don't know just how that was arrived at. Probably we felt as though we were morally obligated for something regardless of the fact that there was an upset for a limited time. That is the only point I know on it.

Senator WILEY. How do you interject a moral responsibility in there?

Mr. ROSENBAUM. We have done business with the people.

Senator WILEY. I should think they would have paid you instead of you paying them if they handed you a dig like that.

Mr. ROSENBAUM. When you are doing business with people you have a sort of rate proposition, and you feel as though you owe them the contract price although there was nothing definite, I imagine. You feel as though you are obligated.

Senator WILEY. As a matter of fact, you felt they had you by the throat, and you had to pay whatever they said. Was that not it?

Mr. ROSENBAUM. No. We argue the price, Senator, as far as the charges were concerned.

Senator WILEY. Now we are getting down to something at last. You argued. Who did you argue with?

Mr. ROSENBAUM. With Mr. Byrnes if he came along. We would try to review the price situation. Friedman or Mr. Levitt and myself, sometimes two, sometimes three, would be present.

Senator WILEY. That is all.

Senator HUNT. Mr. Levitt, would you give me the names of the owners of the S. & G. in relation to their importance of ownership? Would you name the one having the greatest interest first and on down?

Mr. ROSENBAUM. In the partnership?

Senator HUNT. Yes.

Mr. ROSENBAUM. It was an equal partnership, Senator.

Senator HUNT. You all five were equal?

Mr. ROSENBAUM. Equal partners; yes, sir.

Senator HUNT. Would you give me their names?

Mr. ROSENBAUM. Of the five partners?

Senator HUNT. Yes.

Mr. ROSENBAUM. Harold Salvey, Jules Levitt, Samuel Cohen, Edward Rosenbaum.

Senator HUNT. How about this Mr. Friedman?

Mr. ROSENBAUM. Charles Friedman, I am sorry.

Senator HUNT. You want it to stand that it is your testimony that only those five had an interest in the S. & G. Co.?

Mr. ROSENBAUM. Prior to Mr. Russell's coming in. There were six after March——

Senator HUNT. You understand that only those six had any interest?

Mr. ROSENBAUM. That is correct.

Senator HUNT. Did Mr. Cohen, your attorney, have any interest in the S. & G. Co.?

Mr. ROSENBAUM. Not to my knowledge, sir.

Senator HUNT. At any time?

Mr. ROSENBAUM. Not to my knowledge.

Senator HUNT. Not to your knowledge.

Mr. ROSENBAUM. No, sir.

Senator HUNT. You want to stand on that?

Mr. ROSENBAUM. Definitely.

Senator HUNT. You know Mr. Friedman, of course, pretty well, do you not?

Mr. ROSENBAUM. Yes, sir.

Senator HUNT. What do you think of his ability or capacity as a businessman?

Mr. ROSENBAUM. He knows that particular type of business.

Senator HUNT. What do you think of his capacity to hold his own in a business conference?

Mr. ROSENBAUM. He is fairly capable.

Senator HUNT. He must have been considered the most capable of your group if you assigned this very important project to him to get the wire service back. Would that be so?

Mr. ROSENBAUM. The reason for that, Senator, was he was familiar with the routine more than the others, I would say.

Senator HUNT. I see. Your company has been a very, very successful company. Mr. Friedman was one of the owners of the company. Do you think he would not have the capacity to handle himself before this committee?

Mr. ROSENBAUM. As Mr. Cohen explained, I think it is a fear—I don't believe he has had too much schooling and he can't express himself very well, and there may be a lot of that in the back of his crop, that he would look ridiculous.

Senator HUNT. He has done fairly well in business, though, has he not?

Mr. ROSENBAUM. Yes, he has.

Senator HUNT. Where did you live, Mr. Rosenbaum, before you went to Miami?

Mr. ROSENBAUM. I originated—my home—I was born in Newark, N. J.

Senator HUNT. Did you live there all of your life until you went down to Miami?

Mr. ROSENBAUM. No, sir. I moved to Caldwell, N. J., a suburb outside of Newark, approximately 10 miles, Caldwell.

Senator HUNT. Have you ever lived in Chicago?

Mr. ROSENBAUM. No, sir.

Senator HUNT. Do you own any stock in a bank in New York City?

Mr. ROSENBAUM. I do not, Senator.

Senator HUNT. Are you interested with Mr. Costello in a hotel in New York City?

Mr. ROSENBAUM. No, sir.

Senator HUNT. Do you know Mr. Costello?

Mr. ROSENBAUM. I know of the gentleman. I don't know him personally.

Senator HUNT. Do you have any interest in a distillery in Chicago?

Mr. ROSENBAUM. No; I do not, Senator.

Senator HUNT. Are you interested in cleaning and dying businesses, a chain, throughout the Central States?

Mr. ROSENBAUM. No, sir; I have no interest whatsoever.

Senator HUNT. Mr. Rosenbaum, I note here in your 1948 operating statement for the year, in setting out your operating expenses you donated \$33,140 to charity. Would you name some of those charities you donated this money to?

Mr. ROSENBAUM. What year was that, Senator?

Senator HUNT. 1948.

Mr. ROSENBAUM. 1948. I believe we donated, just testing my memory, which may be fairly correct—Mount Sinai Hospital we had quite a commitment. We donated to the St. Francis Hospital, Miami Beach. Mercy Catholic Hospital in Miami. I don't know whether that was 1948 or not; 1947 or 1948. Probably the Community Chest, Red Cross, and Cardiac Home. I am just speaking from memory now.

Senator HUNT. Cancer Control, Boy Scouts and Girl Scouts.

Mr. ROSENBAUM. Yes; the cancer fund, blood bank or something or other.

Senator HUNT. In making those donations were you buying the editorial page, so to speak, you were purchasing good will of the community; is that a fact?

Mr. ROSENBAUM. I wouldn't say that, Senator, in this respect. We never sought any publicity on it. To prove the point, I believe we donated \$10,000 to the Jewish Appeal that year. They had a brochure with the names of the donors printed, people who made donations, and we were excluded. In fact, we had asked to be. We never made public any of our donations to my knowledge. I believe you can check on that, Senator.

Senator HUNT. Those donations were somewhat helpful, too, in your income-tax reporting, no doubt, weren't they?

Mr. ROSENBAUM. When you give that way, I imagine you are taking a little advantage of it.

Senator HUNT. I notice you have legal fees of \$8,400 in 1948. Do you remember who those legal fees were paid to? Were they all paid to one man?

Mr. ROSENBAUM. Legal fees?

Senator HUNT. Legal fees.

Mr. ROSENBAUM. In 1948?

Senator HUNT. Yes.

Mr. ROSENBAUM. I really couldn't say offhand.

Senator HUNT. Who would know?

Mr. ROSENBAUM. I imagine our books would show it.

Senator HUNT. Then I note that you had robberies to the extent of \$26,000. How did that happen?

Mr. ROSENBAUM. The Mercantile Bank had a night depository on the lower floor of the Mercantile National Bank Building. The Mercantile Bank is located on the second floor. The night depository was on the lower level, on the first floor. As I remember the story, the burglars broke through the wall and took all the bags that were placed on night deposit, in this night depository. That is where we sustained that loss.

Senator HUNT. May I have your version of why the S. & G. Syndicate is being dissolved?

Mr. ROSENBAUM. Senator, we have had a world of unfavorable publicity, as you know. A good many members, I say a good many, Mr.

Friedman, Mr. Levitt, and Mr. Cohen, have families, Jules Levitt has two real fine boys going to college, Mr. Friedman has a nice family, and as far as Mr. Salvey and I, we don't have children but the publicity is quite distasteful and you get punched around a little bit and you feel as though you have had your fill. This has been a sore spot in my heart and I imagine it has been in the hearts of my associates. We have been abused. The newspapers undoubtedly have taken unfair advantage of the situation as far as we are concerned. In other words, we are all civic-minded men, have lived on the beach for twenty-some-odd-years. I know I have been there 25 or 26 years and the other members have been there 20 or better. We were just branded this and that, and I think very, very unfairly, and it got to the point where we just feel as though that was the decision, that we wanted to eliminate the S. & G., and we definitely decided to dissolve, and as of the date mentioned we did dissolve.

Senator HUNT. One more question: The six associates and yourself that you mentioned—are they financially so fixed now that for the rest of their lives they need worry no further about income, money affairs?

Mr. ROSENBAUM. I don't believe that is the case. I haven't checked into their finances, but I know I will have to carry on.

Senator HUNT. What would you say about your own?

Mr. ROSENBAUM. I know I am going to look for a new line of endeavor with less headaches and publicity and notoriety.

Senator HUNT. I have no further questions.

The CHAIRMAN. Mr. Rosenbaum, in connection with your contributions I notice you made some rather substantial contributions to the police and firemen's associations, and things of that sort.

Mr. ROSENBAUM. Yes, sir.

The CHAIRMAN. April 18, and April 13, 1950, Justice of Peace and Constables Association, \$100 and another \$100. West Miami Police Association, \$50 and another \$50. Hialeah Police and Firemen's Association, \$100 and \$50 and \$50. Miami Police Benevolent Association, \$200.

Is that just general contributions?

Mr. ROSENBAUM. They usually have a program and approach you and ask for an ad. It is customary.

The CHAIRMAN. I think this list Mr. Robinson compiled should be in the record as an exhibit.

(Document referred to was marked "Exhibit No. 165," and appears in the appendix on p. 788.)

The CHAIRMAN. You did not have in mind being on the good side of the police officials in making those contributions?

Mr. ROSENBAUM. A lot of those police organizations are out of town, Senator. It sort of answers itself.

The CHAIRMAN. Some of them are in town, are they not?

Mr. ROSENBAUM. That is true.

The CHAIRMAN. And in Miami and Miami Beach?

Mr. ROSENBAUM. That is correct.

Mr. COHEN. We did no business in Miami.

The CHAIRMAN. But the sheriff's office is in Miami.

Mr. COHEN. That is not the sheriff's office.

The CHAIRMAN. Here is the Dade County Road Patrol Benevolent Association, \$100. What is that?

Mr. ROSENBAUM. I believe they have a road patrol that patrols the roads. They have an affair every year, a money-raising campaign, a sickness fund or something, and they ask for a donation for an ad. That is what that was, I believe.

The CHAIRMAN. Here is one, South Miami Police and Firemen's Association.

Mr. ROSENBAUM. Along the very same lines, Senator.

The CHAIRMAN. Florida Peace Officers, \$100. What is that?

Mr. ROSENBAUM. Offhand I wouldn't know what the peace officers association is.

The CHAIRMAN. Is there anything else?

I believe that is all, Mr. Rosenbaum.

Mr. ROSENBAUM. Thank you, gentlemen.

The CHAIRMAN. Mr. Cohen, your brother Sam is here. What is his situation?

Mr. BEN COHEN. He is at the hotel. He gave Mr. Halley a telegram from the doctor. If you want him, we will bring him.

The CHAIRMAN. Is he ill?

Mr. BEN COHEN. Yes. He had two heart attacks within the past week, and I think that telegram is self-explanatory. We didn't want to flout the committee. I promised to bring him here. I will submit him to you.

The CHAIRMAN. We do not need him now. I think I should read this telegram into the record:

This telegram certifies Mr. Samuel Cohen following operation July 10, 1950, developed acute coronary insufficiency proven clinically and cardiographically. For this reason, discharge from hospital postponed until July 27, 1950. In my opinion undue excitement for a period of at least 3 months such as testifying may cause repeated attack of acute coronary insufficiency and endanger his life.

ELMER MILCH, M. D.

We do not need him now, I think, and if some matter arises we may call him later.

Mr. COHEN. He is waiting at the hotel.

The CHAIRMAN. Your brother, Sam Cohen, and all other members here today will be continued under subpoena subject to further call of the committee in case we need to interrogate them any further.

Mr. COHEN. Do you want us to stay in town?

The CHAIRMAN. No, sir; you do not need to stay in town, but if we need you again, we don't want to have to serve another subpoena.

Mr. COHEN. It won't be necessary, just call us.

The CHAIRMAN. Mr. Harold Salvey. Will you come around?

Mr. Salvey, do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth so help you God?

Mr. SALVEY. I do.

TESTIMONY OF HAROLD SALVEY, MIAMI BEACH, FLA., ACCOMPANIED BY BEN COHEN, ATTORNEY, MIAMI BEACH, FLA.

Mr. HALLEY. What is your address, Mr. Salvey?

Mr. SALVEY. Miami Beach, Fla.

Mr. HALLEY. What is your business?

Mr. SALVEY. I am a financier of bookies.

Mr. HALLEY. You have been a bookie yourself, haven't you?

Mr. SALVEY. That is right, sir.

Mr. HALLEY. Have you had any other business?

Mr. SALVEY. Have I had any other business at any time at all?

Mr. HALLEY. Say in the last 20 years.

Mr. SALVEY. Twenty years. Yes. I conducted a club in Detroit, Mich. It was for employees of a labor union. I ran that until I left there approximately 23 or 24 years ago.

Mr. HALLEY. What have you done in Miami since?

Mr. SALVEY. I have done some bookmaking there.

Mr. HALLEY. Nothing but bookmaking?

Mr. SALVEY. That is right.

Mr. HALLEY. You have also had participation in various gambling clubs?

Mr. SALVEY. Not various, one.

Mr. HALLEY. What was it?

Mr. SALVEY. Sunny Isles Club.

Mr. HALLEY. You have been a participant in that?

Mr. SALVEY. That is true.

Mr. HALLEY. You have been arrested on occasion for bookmaking?

Mr. SALVEY. I was arrested in 1939 but never convicted.

Mr. HALLEY. In fact, your case never came to trial, is that right?

Mr. SALVEY. It never came to trial.

Mr. HALLEY. You were arrested three times, I believe.

Mr. SALVEY. Well, I was arrested once. A little while later, I think it was 1945, I was cited for being a participant in a gambling institution, but it never came up, I don't think.

Mr. HALLEY. So in each case you beat the rap?

Mr. SALVEY. Not that I beat the rap.

Mr. HALLEY. You weren't convicted.

Mr. SALVEY. I wasn't convicted, that is right, sir.

Mr. HALLEY. You have been a bookmaker and that is your occupation?

Mr. SALVEY. That is right.

Mr. HALLEY. I would call that beating the rap.

Mr. SALVEY. Have it as you will.

Mr. HALLEY. Where were you when the committee was trying to serve subpoenas in Miami a month ago?

Mr. SALVEY. Miami is a tropical climate and that was vacation time.

Mr. HALLEY. When the committee came that was vacation time?

Mr. SALVEY. Not necessarily. Every year I go away about that time.

Mr. HALLEY. Where did you go?

Mr. SALVEY. I went to New York.

Mr. HALLEY. You were in New York at the time?

Mr. SALVEY. Traveling around, yes, sir.

Mr. HALLEY. When did you leave Miami?

Mr. SALVEY. I must have left Miami maybe a week prior to that.

Mr. HALLEY. When did you return to Miami?

Mr. SALVEY. I think I was gone about 2 weeks in all.

Mr. HALLEY. So your vacation, like that of the other members of the S. & G. Syndicate, was very accurately timed to be just before and after the committee hearings.

Mr. SALVEY. You can put it that way if you will, but every year I go away for a couple weeks and come back and then I go away for another 2 weeks. It is summertime down there.

Mr. HALLEY. That is right, this year you went when the committee started serving subpoenas in Miami; is that right?

Mr. SALVEY. I went prior to that.

Mr. HALLEY. There was an announcement made in the newspapers that there were going to be hearings about a week before the hearings were held.

Mr. SALVEY. When the committee was there the first time I was in town all the time that the investigation was on. I was there.

Mr. HALLEY. I know, there was no announcement the first time the committee appeared in Miami and the investigation was on and over practically before it got into the newspapers.

Mr. SALVEY. You were there two full days, and I had no intention of leaving then and I had no knowledge of how long you would be there, sir.

Mr. HALLEY. You weren't available; is that right?

Mr. SALVEY. I was on vacation, sir.

Mr. HALLEY. You were advised that the committee was looking for you, were you not?

Mr. SALVEY. No, sir. When I was told—

Mr. HALLEY. Don't you read the newspapers?

Mr. SALVEY. I wasn't down there to read the newspapers.

Mr. HALLEY. It appeared in the New York papers, too.

Mr. SALVEY. I did not see it.

Mr. HALLEY. Didn't your friends and family let you know that it was all over the papers in Florida and on the radio?

Mr. SALVEY. No, sir. When I found out there was a subpoena for me—in fact, the subpoena was never handed to me. I had a call one day, I was registered under my own name at the hotel in Miami where I live, one day I received a call, and I think Mr. Mills, your investigator, was up there and gave a subpoena to Mr. Cohen—

Mr. HALLEY. You mean the last week?

Mr. SALVEY. Yes; Mr. Cohen called me and said I have a subpoena and I said accept it. Mr. Mills got on the phone and said, "Are you Mr. Harold Salvey," and I said "Yes," and he said, "Will you accept this subpoena," and I said "Yes."

Mr. HALLEY. Look, Mr. Salvey, the committee arrived in Miami about a month ago to have hearings. There was an announcement in the newspapers and quite mysteriously every member of the S. & G. went to the hospital, went to visit a sick relative, or went on vacation. It was widely advertised in the press and on the radio that the committee was looking for you as well as the others. Did you at any time, when we, the committee, made arrangements at great length with your counsel, make any attempt to get in touch with this committee and say, "I am available"?

Mr. SALVEY. When I got back in town, Mr. Halley, I understood that Mr. Cohen, Mr. Ben Cohen here, had talked to Mr. Kefauver and told him or told you, I am not sure, that if you ever wanted any of us, he would produce us right then.

Mr. HALLEY. Didn't you think you had a responsibility to get in touch with the committee and say you were available?

Mr. SALVEY. After what Mr. Cohen told me—

Mr. HALLEY. What he said was he would try to, but he certainly couldn't control you, and if he couldn't find you, he couldn't find you.

Mr. SALVEY. He didn't put it to me that way.

Mr. HALLEY. That is the way he put it to Senator Kefauver in my presence.

Mr. SALVEY. He said he would produce us up here, and I said I was ready any time.

Mr. HALLEY. In any event, you are here now.

Mr. SALVEY. Yes, sir.

Mr. HALLEY. You have heard the testimony of Mr. Cohen, is that right?

Mr. SALVEY. Yes, sir.

Mr. HALLEY. Have you any corrections or additions you would like to make to it?

Mr. SALVEY. Not right now, sir.

Mr. HALLEY. By not right now, do you mean you might have corrections later?

Mr. SALVEY. There is none that I can think of.

Mr. HALLEY. Did you hear anything that Mr. Cohen said that you thought wasn't right or accurate?

Mr. SALVEY. No, sir.

Mr. HALLEY. Did you hear the testimony of the other witnesses?

Mr. SALVEY. Yes, sir.

Mr. HALLEY. Is there anything you would be able to tell the committee which would correct or add to their testimony?

Mr. SALVEY. I can't think of anything at this moment; no, sir.

Mr. HALLEY. What was your participation in S. & G? There has been testimony that you do nothing.

Mr. SALVEY. When Jules Levitt, Charles Friedman, and myself first entered into this business back in I think around 1939, we operated along the same lines. Several years later, I understand it was in September of 1944, Mr. Sam Cohen, who was in the same business, and Mr. Eddie Rosenbaum, who was in the same business, decided that it would be better if we all got together, that we could save a little expenses here and there. We did join up and formed at that time what was previously known up until a short time ago as the S. & G. Service.

Mr. HALLEY. Do you know how it got its name?

Mr. SALVEY. No, sir; I don't.

Mr. HALLEY. Go ahead.

Mr. SALVEY. When we formed the S. & G., I told the fellows that I wasn't very well, and I would like to quit. They told me there is no use in your quitting, you have been with this thing a long time, the same as any official who has been with a big company. If he has been with them, they continue with them right on, especially if his services aren't needed.

Mr. HALLEY. When did this occur?

Mr. SALVEY. It might have occurred in 1945 or so. I don't remember.

Mr. HALLEY. You just started the syndicate in 1944, you hadn't been with a big firm so many years.

Mr. SALVEY. We had been there since 1939.

Mr. HALLEY. The Syndicate was formed in 1944. That is the testimony of Mr. Ben Cohen, sitting right next to you.

Mr. SALVEY. The S. & G. Service was formed in 1944, it is true, but for me it was just a continuation of what I had been doing. The only thing we did was take in two more partners.

Mr. HALLEY. You had not been doing it as a group together.

Mr. SALVEY. Yes; we had, as a group.

Mr. HALLEY. You had been making book yourself?

Mr. SALVEY. No. We had these concessionaires calling in on the same principles and we continued as such down through the years.

Mr. HALLEY. But you had not been together as a group. You had been operating separately.

Mr. SALVEY. No, sir.

Mr. HALLEY. Who are your three?

Mr. SALVEY. Jules Levitt, Charles Friedman, and myself.

Mr. HALLEY. You three had been together?

Mr. SALVEY. Yes, sir.

Mr. HALLEY. You took in two more members in 1944?

Mr. SALVEY. All we did was add two more.

Mr. HALLEY. One year later you quit?

Mr. SALVEY. I don't say it was 1 year, approximately. I am not quite sure. I didn't quit; no, sir.

Mr. HALLEY. You didn't quit receiving your money, but you quit doing anything.

Mr. SALVEY. Well, doing anything. Some fellows work on the outside, like you heard Mr. Rosenbaum say he worked on the inside.

Mr. HALLEY. Where did you work?

Mr. SALVEY. I didn't do any work.

Mr. HALLEY. You were pretty friendly with Burbridge, weren't you?

Mr. SALVEY. Mr. Burbridge is a good friend of mine. I have great admiration for Mr. Burbridge.

Mr. HALLEY. He has expressed an admiration for you.

Mr. SALVEY. I have reason to admire Mr. Burbridge.

Mr. HALLEY. You have been friends for many, many years; is that right?

Mr. SALVEY. I can explain that. A good many years ago when Mr. Burbridge was located in Duval County, which is Jacksonville, he fought the Ku Klux Klan strenuously. He was one of the greatest fighters of the Ku Klux Klan in Florida. I, being Jewish, admired him for it. When he came to Miami Beach, I continued to admire him because Mr. Burbridge was well known in the State of Florida. At the age of 24 he was made Dade County commissioner and has continued in politics since.

Mr. HALLEY. He has become quite a power in Miami Beach; isn't that right?

Mr. SALVEY. I don't know whether you call it a power. He is one of the seven councilmen of the city of Miami Beach.

Mr. HALLEY. There was considerable testimony here this morning by your colleagues that he was one of the most influential, if not the most influential, members of the Miami Beach City Council. Do you agree with that?

Mr. SALVEY. Mr. Halley, they all have the same voice.

Mr. HALLEY. I know, but he apparently is more persuasive. He takes leadership. That has been the testimony.

Mr. SALVEY. I don't know about that, Mr. Halley.

Mr. HALLEY. You would doubt it?

Mr. SALVEY. I wouldn't doubt it, no. I would say that each man has a vote, and no one man's vote counts more than the other.

Mr. HALLEY. But the others seem to listen to Burbridge.

Mr. SALVEY. No. I have seen where they have gone 4 to 3 against him.

Mr. HALLEY. That hasn't happened often in connection with matters——

Mr. SALVEY. Yes; it has, sir.

Mr. HALLEY. Has it happened in connection with matters S. & G. cared about?

Mr. SALVEY. I don't think he is interested in matters of S. & G.

Mr. HALLEY. For instance, the appointment of a city manager or a police commissioner.

Mr. SALVEY. The city manager of Miami Beach has been in office for 24 years, considered in the line of the city manager government in the United States, probably the best in America.

Mr. HALLEY. Who so considers him?

Mr. SALVEY. If you will call up any city that has city management, they know Mr. Renshaw, Claude Renshaw.

Mr. HALLEY. Have you heard the testimony not only here today but have you read the testimony that the chief of police of Miami Beach testified that he called a common ordinary detective on the police force to take full responsibility for gambling, he didn't want to know anything about it?

Mr. SALVEY. That who did that?

Mr. HALLEY. Phil Short, when he was chief of police told that to Perdue.

Mr. SALVEY. What he told to Perdue has no bearing——

Mr. HALLEY. It was common knowledge in Miami Beach that he told that to Perdue. Perdue became known as the one-man vice squad or gambling squad.

Mr. SALVEY. So I have heard, so I have read.

Mr. HALLEY. Short wouldn't even listen to anything about gambling. Isn't that right?

Mr. SALVEY. Mr. Short when he was chief of police had his duty to perform. I don't know anything about what he was supposed to have done.

Mr. HALLEY. I am trying to find out from you what kind of city manager is Renshaw with that condition going on under him, where his chief of police didn't want to have anything to do with gambling. How can you sit there and testify that Renshaw did a good job as city manager?

Mr. SALVEY. I say if you look up the record of the city of Miami Beach, it is in better shape financially than any city of its size.

Mr. HALLEY. It happens to be the center of the greatest wealth in the country.

Mr. SALVEY. He is responsible for having it that way.

Mr. HALLEY. I won't argue that point with you.

Mr. SALVEY. It is a matter of common knowledge, Mr. Halley.

Mr. HALLEY. Nonsense. Let's get on with your financial transactions with this man Burbridge. What were they?

Mr. SALVEY. Mr. Burbridge and I at the present time own a lot together. I would like to go back to the origination of that. Years ago there was a vacant lot that was zoned for residential on what is now one of the busiest streets in Miami Beach, a place called Washington Avenue. Mr. Burbridge purchased that lot with a man known as William Maher.

Mr. HALLEY. He was one of the S. & G. original partners?

Mr. SALVEY. Years ago; yes, sir.

Mr. HALLEY. And also a partner in Sunny Isles?

Mr. SALVEY. Years ago; yes.

Mr. HALLEY. He was doing business with Burbridge in this real-estate deal, is that right?

Mr. SALVEY. He purchased a half interest in a lot and Mr. Burbridge had the other half interest.

Mr. HALLEY. Together?

Mr. SALVEY. They owned it jointly; yes, sir.

Mr. HALLEY. Mr. Maher was also at that time one of your partners in the S. & G. and Sunny Isles, is that right?

Mr. SALVEY. He was a partner of ours in both places. If it was when he bought the lot I am not positive.

Mr. HALLEY. We will get to that. What happened then?

Mr. SALVEY. Mr. Burbridge and Mr. Maher had foresight to know that that particular street, Washington Avenue, could not be zoned for residential area for any length of time. They knew eventually it would have to be rezoned for business property, the same as other property has been down there. When they bought it they bought it very reasonable, the same as a lot of property has been purchased down there.

Mr. HALLEY. In fact, they each put in \$7,500?

Mr. SALVEY. So I understand. After it was rezoned, I purchased William Maher's interest for \$25,000.

The CHAIRMAN. Was it rezoned by the city council?

Mr. SALVEY. By the city council; yes, sir.

The CHAIRMAN. Of which he was member?

Mr. SALVEY. Of which he was a member. It takes five men to rezone.

Mr. HALLEY. In what year did you purchase Maher's interest?

Mr. SALVEY. A few years ago, I don't know exactly.

Mr. HALLEY. At the time it was rezoned?

Mr. SALVEY. After it was rezoned; yes, sir. After I had the lot a while I decided to build on it. I made a deal with Mr. Burbridge whereas I paid him for a 99-year ground lease \$6,000 a year.

Mr. HALLEY. Burbridge got a considerably better deal than Maher, did he not?

Mr. SALVEY. How did he get a better deal?

Mr. HALLEY. Maher got \$25,000.

Mr. SALVEY. Maher got \$25,000 a few years ago, a short time prior to that. The land became more valuable as they started building on Washington Avenue. Different business houses went up and it increased the value of Washington Avenue.

Mr. HALLEY. Burbridge was getting at \$6,000 a year a price that probably was three or four times as much as Maher was getting.

Mr. SALVEY. All Maher did was purchase the property and then sell it.

Mr. HALLEY. What did Burbridge do, purchase it and lease it?

Mr. SALVEY. Which is one of the things that is done more on Miami Beach than the purchase of land, a 99-year lease. That is done extensively down there. In fact, the deal must have been all right because when I went to the Mercantile National Bank, one of the largest banks in Florida, I asked them for a construction loan on the building I intended to put up there. They said they sent their attorneys there to look that deal over. They examined the abstracts. They knew about the subordination that Mr. Burbridge had given me after I made the deal with him for the 99-year lease at \$6,000 a year. They thought well enough of that proposition, and you know how tough banks are.

Mr. HALLEY. S. & G.'s business is with Mercantile Bank?

Mr. SALVEY. I beg your pardon, they do not.

Mr. HALLEY. We just had testimony——

Mr. SALVEY. They may do some of it, but most of it was done with another bank.

Mr. HALLEY. They do some of it, do they not?

Mr. SALVEY. The lesser part of their banking is done with S. & G.

Mr. HALLEY. You have a very substantial outlet. You are a very important businessman in Miami Beach, aren't you?

Mr. SALVEY. Outside of the S. & G. service, the only thing I own there, the only business I do is right there in that building that we are talking about now.

Mr. HALLEY. You are worth over \$300,000, are you not?

Mr. SALVEY. Maybe.

Mr. HALLEY. Why wouldn't the bank give you a loan?

Mr. SALVEY. They only give you a mortgage on something that you possess. They don't know what mortgages I had on the other stuff there. They have no way of knowing.

Mr. HALLEY. Mr. Salvey, isn't it a fact that on this land for which you paid \$25,000 from Mr. Maher, you paid \$6,000 a year for 99 years to Burbridge?

Mr. SALVEY. Yes.

The CHAIRMAN. And you pay the taxes?

Mr. SALVEY. I pay the taxes; yes, sir.

The CHAIRMAN. So Burbridge is out nothing.

Mr. SALVEY. That is the way 99-year leases are made in Florida.

Mr. HALLEY. The amount of rent varies.

Mr. SALVEY. The amounts vary. I am trying to bring out it must have been a fair proposition if the bank was willing to give me this construction loan.

Mr. HALLEY. That is an absurd statement on its face.

Mr. SALVEY. I don't think so, Mr. Halley.

Mr. HALLEY. The bank is perfectly willing for you to pay any rent you wanted provided you had the assets to pay it.

Mr. SALVEY. Here is what happened since then. I prove that my other properties have no bearing on this building. Since I constructed this building I have taken mortgages out on other land, and

my other land has been mortgaged. Every bit of it is mortgaged. The only thing they have is this particular land and building, the bank I am talking about, the Mercantile National Bank.

Mr. HALLEY. What other business transactions have you had with Burbridge?

Mr. SALVEY. Business transactions? Well, sometimes there was some land—I think that Mr. Burbridge knows real-estate dealings there. I would go to him and ask him what would be a good thing to buy. I did that because he has been in that business all his life. From his knowledge he would tell me “I think this is all right.” I would say “See if you can get it for me.” Through him I would buy some land.

Mr. HALLEY. You paid him a commission?

Mr. SALVEY. No, sir. It is the seller that pays the commission, not the buyer.

Mr. HALLEY. He got the commission out of the deal?

Mr. SALVEY. That I don't know.

Mr. HALLEY. He has testified that he got commissions on deals he handled for you.

Mr. SALVEY. If he testified, then he must have received it from the party who sold it.

Mr. HALLEY. And of course you paid the purchase price to the seller, is that right?

Mr. SALVEY. That is right.

Mr. HALLEY. Did you ever borrow \$40,000 from Burbridge?

Mr. SALVEY. Yes, sir; I borrowed \$40,000 from Mr. Burbridge.

Mr. HALLEY. You kept it a month or two, is that right?

Mr. SALVEY. I kept it a while and paid him interest on it. I paid him \$2,000 for the loan.

Mr. HALLEY. The rate was 10 percent a year, I believe.

Mr. SALVEY. I also have some loans now that I pay 10 percent on. Not from him, though. From some other people.

Mr. HALLEY. Real-estate loans?

Mr. SALVEY. Real-estate loans.

Mr. HALLEY. What do they aggregate?

Mr. SALVEY. I took a \$50,000 loan on some stuff I had on Forty-first Street. I took a \$50,000 loan on some stuff that I have on the ocean front.

Mr. HALLEY. Are these mortgage loans?

Mr. SALVEY. Mortgage loans; yes, sir.

Mr. HALLEY. And your testimony is you are paying 10-percent interest on mortgage loans?

Mr. SALVEY. I am paying 10-percent interest per year.

Mr. HALLEY. On mortgage loans?

Mr. SALVEY. Yes, sir.

Mr. COHEN. On unimproved property they get that, Mr. Halley.

Mr. HALLEY. In any event, you pay Burbridge 10 percent on a \$10,000 loan for about 3 months, I believe.

Mr. SALVEY. I didn't pay him at the rate of 10 percent; no, sir.

Mr. HALLEY. You paid him a larger percent?

Mr. SALVEY. No, sir.

Mr. HALLEY. He got \$2,000 interest.

Mr. SALVEY. He got \$2,000.

Mr. HALLEY. For 3 months?

Mr. SALVEY. Three months.

Mr. HALLEY. The annual rate would be what?

Mr. SALVEY. On \$40,000 it would be \$4,000.

Mr. HALLEY. So 10 percent would be \$4,000 a year.

Mr. SALVEY. That is right.

Mr. HALLEY. Two percent for 3 months would be \$8,000 a year. So you were paying 20 percent.

Mr. SALVEY. Not necessarily. I will prove that to you. Just listen to this, Mr. Halley: The loans I had, take the loan I have on Forty-first Street, Major Edelman right here in Baltimore made the loan to me. It is 10 percent per year. If I want to pick that up in 2 months or so, I have to pay him \$5,000. I get no reduction whatsoever. I have to pay the full year's interest on that loan.

Mr. HALLEY. Mr. Burbridge also testified that several years ago you sent him from California a check for \$1,000, a cashier's check. He said he hasn't been able to figure out what that was for. Maybe you can explain that one, too.

Mr. SALVEY. At that time it was either charity or a loan, I don't remember. But I tell you what I did. I went to the bank and told them I wanted to buy a cashier's check. I told them who I was. I said my name is Harold Salvey. I want this check made out to William Burbridge. I in turn sent that check back to Miami Beach from California and Mr. Burbridge in turn deposited it to his account and endorsed his name to that check.

Mr. HALLEY. You don't know what the payment was for at all?

Mr. SALVEY. At the moment I don't remember. That was several years ago.

Mr. HALLEY. Have you also purchased various parcels of real estate from Burbridge?

Mr. SALVEY. Yes. We went into that a minute ago, Mr. Halley. Yes, sir.

Mr. HALLEY. He has made a profit on that, I take it.

Mr. SALVEY. Anyone who sells real estate down there makes the natural commission, but not from me. The buyer doesn't pay a commission.

Mr. HALLEY. He testified I think that he sold you some.

Mr. SALVEY. No, sir.

Mr. HALLEY. That you were the buyer.

Mr. SALVEY. No, sir. I never—I was the buyer but I paid no commission. I misunderstood you for a moment. I thought you meant I bought something from him. I never bought anything from Mr. Burbridge, to my knowledge.

Mr. HALLEY. Just in transactions where he acted as the broker?

Mr. SALVEY. In transactions.

Mr. HALLEY. And he made the commission.

Mr. SALVEY. I presume.

Mr. HALLEY. What other transactions have you had with Burbridge?

Mr. SALVEY. None that I know of, unless one time there—I may have borrowed some money from him. I don't remember right now. If I did, I paid him back. Anything Mr. Burbridge ever loaned me, he gave me a check for, his own personal check.

Mr. HALLEY. Whenever you borrowed money from Burbridge, did you pay him interest?

Mr. SALVEY. Interest? I presume I did. Sometimes it was a small amount like a thousand and he wouldn't charge me anything for it.

Mr. HALLEY. Have you any records of small loans like a thousand dollars?

Mr. SALVEY. Whatever it is, the checks will show it.

Mr. HALLEY. But you did borrow substantial sums and pay interest, is that right?

Mr. SALVEY. Just what we spoke about.

Mr. HALLEY. The \$40,000?

Mr. SALVEY. The \$40,000.

Mr. HALLEY. Nothing else?

Mr. SALVEY. Not that I can remember at the moment.

Mr. HALLEY. I have no other questions at the moment.

Senator HUNT. I have no questions.

The CHAIRMAN. Did you know about this yacht deal that the S. & G. got into?

Mr. SALVEY. Senator, I knew nothing about it.

The CHAIRMAN. Until after it had been bought?

Mr. SALVEY. Later on, later on.

The CHAIRMAN. They didn't consult you about it at all?

Mr. SALVEY. No, sir; they did not.

The CHAIRMAN. Did you enter into the negotiations about the wire service?

Mr. SALVEY. I knew nothing about the wire service, I hadn't been active in the S. & G. service.

The CHAIRMAN. Did you know Mr. Russell?

Mr. SALVEY. I never knew Mr. Russell, no.

The CHAIRMAN. Were you consulted about taking him in as a partner?

Mr. SALVEY. Well, they came to me around the time that it was talked about here and said we have a fellow here who is a pretty good man on baseball. I said whatever you do is all right with me. It shouldn't be any different now.

Mr. HALLEY. So you just acquiesced in it.

Mr. SALVEY. That is right.

Mr. HALLEY. Who is Charles Lebanon?

Mr. SALVEY. Charles Lebanon? Charles Lebanon was a concessionaire.

Mr. HALLEY. Where?

Mr. SALVEY. At one time he was a concessionaire at the Lord Tarlton Hotel.

Mr. HALLEY. Was he ever concessionaire at the Roney Plaza?

Mr. SALVEY. Yes, sir. I will explain that to you. Several years ago Charles Lebanon came to me. He was a friend of mine. He came to me. He knew I was in that business. He said, "Harold, if I could get that Roney Plaza concession," and I said to him, "They have never had any bookmaking there, Charlie." That is one hotel—pretty nearly all of them do have it and I said "That is one hotel that doesn't have it." "Will you come with me," he said, "and maybe we can work out something." Being a friend of his I said I would go. So we went up there. We spoke to them and they said all right, go ahead.

Mr. HALLEY. To whom did you speak?

Mr. SALVEY. I think I spoke to the auditor there.

Mr. HALLEY. What is his name?

Mr. SALVEY. I don't know his name.

Mr. HALLEY. Meyer Schine had just bought the Roney Plaza?

Mr. SALVEY. That is right, just after that.

Mr. HALLEY. Did you speak to Schine?

Mr. SALVEY. Schine came down there later. He came into the picture later.

Mr. HALLEY. Let's get it chronologically. What happened first? You went down and spoke to the auditor?

Mr. SALVEY. Yes.

Mr. HALLEY. What is his name?

Mr. SALVEY. I don't remember his name. This is a few years ago.

Mr. HALLEY. What happened at that time?

Mr. SALVEY. He said when Mr. Schine comes in here, we will talk about it. Schine came in, and you know how they talk, they want you to run a nice clean place, and Lebanon guaranteed him he would. Finally Lebanon took the place over and after he had been there a very short time Mr. Schine came to him and said "This won't do. You are making book here."

Mr. HALLEY. Wasn't it understood from the first that is what the purpose was?

Mr. SALVEY. I presumed it was understood from the start.

Mr. HALLEY. That is what you were talking about with the auditor and with Schine, wasn't it?

Mr. SALVEY. We talked about booking, yes. I thought it was understood that way.

Mr. HALLEY. You were known as a bookmaker, were you not?

Mr. SALVEY. Definitely, yes, sir.

Mr. HALLEY. You knew Mr. Schine?

Mr. SALVEY. No, I had never seen Mr. Schine prior to that.

Mr. HALLEY. When you went to see him then you had to describe what your activities were, isn't that right?

Mr. SALVEY. That is right, sir.

Mr. HALLEY. You said you wanted to operate a book at the Roney Plaza, didn't you?

Mr. SALVEY. That is right.

Mr. HALLEY. He agreed to it, is that right?

Mr. SALVEY. He took the money, the auditor did.

Mr. HALLEY. The rent was fixed at \$7,500 a year?

Mr. SALVEY. I think so. I am not sure.

Mr. HALLEY. Who made that deal for the rent?

Mr. SALVEY. Charlie Lebanon and myself were right there.

Mr. HALLEY. With whom did you make the deal on the amount of rent to be paid?

Mr. SALVEY. Mr. Schine, I think.

Mr. HALLEY. What do you mean, you think?

Mr. SALVEY. I don't know whether it was with him or with the auditor, because I remember distinctly Mr. Schine saying to me, "You will have to take that up with the auditor."

Mr. HALLEY. Have to take what up?

Mr. SALVEY. The deal.

Mr. HALLEY. You mean the details?

Mr. SALVEY. The details.

Mr. HALLEY. But did you discuss the financial arrangements with Mr. Schine?

Mr. SALVEY. Yes, sir.

Mr. HALLEY. You did?

Mr. SALVEY. I am pretty sure; yes, sir.

Mr. HALLEY. How long did you and Lebanon operate there?

Mr. SALVEY. Mr. Lebanon operated there. He was the concessionaire there for a very short time.

Mr. HALLEY. Your lease was made out to both you and Lebanon, is that right?

Mr. SALVEY. Charlie wanted it that way, yes. He was the concessionaire there.

Mr. HALLEY. You were represented by counsel, were you not?

Mr. SALVEY. I wasn't; no, sir. Charlie had somebody there. I don't even know the fellow's name, some lawyer he had.

Mr. HALLEY. Wasn't Louis Kutner the counsel?

Mr. SALVEY. I have no idea what his name was.

Mr. HALLEY. He happens to be the same man who Harry Russell went to see in Chicago.

Mr. SALVEY. That I wouldn't know.

Mr. HALLEY. Have you ever met or heard of Louis Kutner?

Mr. SALVEY. I must have seen him there at the time, that is the only thing I know about him.

Mr. HALLEY. Lebanon had brought him in?

Mr. SALVEY. Positively.

Mr. HALLEY. This lease was drawn and you signed it?

Mr. SALVEY. As far as my knowledge, yes.

Mr. HALLEY. And began to make book at the Roney Plaza.

Mr. SALVEY. Yes, sir.

Mr. HALLEY. Did that occur in 1944 right after the lease was signed?

Mr. SALVEY. If that is the year. I don't remember. It was a few years ago.

Mr. HALLEY. I will show you a copy of a lease and ask you if this is the Roney Plaza lease.

Mr. SALVEY. January 1944. That is when it must have been. That was before the S. & G., Mr. Halley. It was formed in September that year.

Mr. HALLEY. How long did the operation last at the Roney Plaza?

Mr. SALVEY. Maybe a week and a half or two.

Mr. HALLEY. Is that all?

Mr. SALVEY. I presume. That is about all as far as my knowledge is concerned.

Mr. HALLEY. Then what happened? Did Schine speak to you personally?

Mr. SALVEY. Before they could even do anything there. Schine had a change of heart. He didn't say anything to me because I didn't operate it. It was Mr. Lebanon operated it.

Mr. HALLEY. Were you a partner of Lebanon in the deal?

Mr. SALVEY. He was the bookie then, the concessionaire.

Mr. HALLEY. Were you operating on a 50-50 basis with him?

Mr. SALVEY. Yes, sir; 50-50 basis.

Mr. HALLEY. Schine told Lebanon, as you understand it, to get out?

Mr. SALVEY. After he was there maybe 10 days, Schine said no go, out. He gave the money back.

Mr. HALLEY. Did he in fact get out?

Mr. SALVEY. Absolutely he got out.

Mr. HALLEY. During 1949 you were still a participant in the Sunny Isles, were you not?

Mr. SALVEY. In 1949?

Mr. HALLEY. Yes.

Mr. SALVEY. Yes, sir.

Mr. HALLEY. Do you know John Rush, an attorney?

Mr. SALVEY. No, sir.

Mr. HALLEY. He has his offices in Jacksonville.

Mr. SALVEY. I have heard of the gentleman.

Mr. HALLEY. You have heard of him?

Mr. SALVEY. Yes, sir.

Mr. HALLEY. You know that he represented the S. & G. Syndicate in 1949 in connection with a proposed bill to legalize gambling?

Mr. SALVEY. I heard of it; yes, sir.

Mr. HALLEY. Had you heard that S. & G. paid him a fee of \$10,000?

Mr. SALVEY. I heard it later; yes, sir.

Mr. HALLEY. Had you heard that Sunny Isles also, in 1949, retained Rush?

Mr. SALVEY. I didn't know that, sir.

Mr. HALLEY. And paid him a fee?

Mr. SALVEY. I didn't know that.

Mr. HALLEY. Have you heard of it since?

Mr. SALVEY. I heard it today up here.

Mr. HALLEY. Where did you hear it today?

Mr. SALVEY. I heard it mentioned here.

Mr. HALLEY. When?

Mr. SALVEY. Some one of the witnesses testified.

Mr. HALLEY. There was no testimony about that.

Mr. SALVEY. I think there was.

Mr. HALLEY. Had you heard it any place else?

Mr. SALVEY. I may have. I am not sure.

Mr. HALLEY. Have you any knowledge?

Mr. SALVEY. I have heard the name Rush. I kept hearing it back there. Somebody mentioned Rush.

Mr. HALLEY. Have you any knowledge of the circumstances under which Sunny Isles in 1949 retained Rush as counsel?

Mr. SALVEY. No, sir.

The CHAIRMAN. If you did not employ Mr. Rush on behalf of Sunny Isles, who would have?

Mr. SALVEY. Whoever the partners were there. There were several. I had a minority interest in Sunny Isles.

The CHAIRMAN. Any questions?

I think that is all, thank you.

Mr. SALVEY. Thank you, Senator.

The CHAIRMAN. Mr. Rosenbaum, will you come back for just one question?

**FURTHER TESTIMONY OF EDWARD ROSENBAUM, MIAMI, FLA.,
ACCOMPANIED BY BEN COHEN, ATTORNEY, MIAMI BEACH, FLA.**

The CHAIRMAN. I think our record is fairly clear about this, but I wanted to make it absolutely clear, if you know, where S. & G. got its wire service from at different times prior to 1948; where did you get your wire service from?

Mr. ROSENBAUM. It was always local, Senator, in that area, Dade County area.

The CHAIRMAN. Was that the Dade County News Service, whatever the outfit was in Miami?

Mr. ROSENBAUM. I believe so, Dade County News.

The CHAIRMAN. Do you know where they got their wire service from?

Mr. ROSENBAUM. I have no knowledge of that, sir.

The CHAIRMAN. You don't know whether it was Continental or whether it was gotten in from New Orleans or where?

Mr. ROSENBAUM. I definitely don't know. That is the truth. I definitely don't know.

The CHAIRMAN. In February 1949 when they cut off their wire service, then you got it directly from New Orleans, is that correct?

Mr. ROSENBAUM. We sent a man to New Orleans and he in turn phoned it in to our offices, our own man, Mr. Mooney.

The CHAIRMAN. Then at that time it didn't come through—

Mr. ROSENBAUM. The regular channels.

The CHAIRMAN. It did not come through Miami at all?

Mr. ROSENBAUM. No, sir.

The CHAIRMAN. When you got the news service from Miami did you get it on a ticker or by telephone?

Mr. ROSENBAUM. By telephone, sir.

The CHAIRMAN. Did you ever get news service by ticker?

Mr. ROSENBAUM. No, sir.

The CHAIRMAN. Then after the wire service was reinstated some 2 weeks later, you dropped the New Orleans service and began getting it again from the Miami man?

Mr. ROSENBAUM. That is correct, sir.

The CHAIRMAN. In 1950, before you ceased doing business, where were you getting your service from?

Mr. ROSENBAUM. Locally in the Miami area, from the same source.

The CHAIRMAN. The Florida statute prohibiting the transmission intrastate of racing information for gambling purposes was passed by the 1949 legislature, was it not?

Mr. ROSENBAUM. I believe you are correct.

The CHAIRMAN. What happened after that statute was passed? Did you continue getting wire service just as you did before?

Mr. ROSENBAUM. Yes, sir.

The CHAIRMAN. There wasn't any interruption at all?

Mr. ROSENBAUM. The service was not quite as good but we received the service.

The CHAIRMAN. How do you mean it wasn't as good?

Mr. ROSENBAUM. It was slower, I would say, from what I understand.

The CHAIRMAN. You mean they probably had to get it out of the race tracks by signal and wig-wag methods?

Mr. ROSENBAUM. That is very possible, sir.

The CHAIRMAN. And get it down to Miami and get it over to you. You think that is what happened?

Mr. ROSENBAUM. I believe so.

The CHAIRMAN. Do you know any of the Continental Press people?

Mr. ROSENBAUM. No, I do not.

The CHAIRMAN. You do not know where the Miami people got their wire service?

Mr. ROSENBAUM. Definitely not.

The CHAIRMAN. I think it should be stated in connection with Mr. Ben Cohen's testimony that the record shows, I believe the testimony of Mr. Irvin, the attorney general of the State of Florida, before our committee in Miami and also the assistant attorney general, Mr. Owen, before the Interstate and Foreign Commerce Committee in Washington prior to that time, that on one occasion when the wire service was discontinued so that there could not be off-track betting that the increase at Hialeah per day in the take was \$200,000 a day. Was that the amount, Mr. Cohen?

Mr. COHEN. I would have no knowledge of that.

The CHAIRMAN. I believe it was that amount, \$200,000.

That is all, Mr. Rosenbaum.

Mr. HALLEY. May I ask one question. I believe you did testify previously, and I presume you haven't changed your mind, that the local wire service which S. & G. received emanated from Continental Press. Isn't that right?

Mr. ROSENBAUM. I didn't say that, Mr. Halley.

Mr. HALLEY. I thought you did.

Mr. ROSENBAUM. Oh, definitely not.

Mr. HALLEY. Wasn't it a Continental Press service?

Mr. ROSENBAUM. I do not know.

Mr. HALLEY. Several of the other witnesses have said that. Do you disagree with them?

Mr. ROSENBAUM. I have no way of knowing. From hearsay you hear a lot about Continental. We have never negotiated with Continental. I have had no business with them at all and do not know whether or not the people we received the service from received it from Continental. I don't want to go on record as saying that because I do not know that to be a fact.

Mr. HALLEY. You continued getting your service from Byrnes both before the shut-off and after?

Mr. ROSENBAUM. That is correct.

Mr. HALLEY. Right up to the time you discontinued?

Mr. ROSENBAUM. To the best of my knowledge, I believe it was just that way, sir.

Mr. HALLEY. You have heard the testimony of at least the other witnesses, your associates, who said they understood it was from Continental Press that the service emanated, is that correct?

Mr. ROSENBAUM. I didn't hear that; no.

Mr. HALLEY. Didn't you hear it?

Mr. ROSENBAUM. No; I didn't.

Mr. HALLEY. If they so testified, were they wrong?

Mr. ROSENBAUM. I would say that they were guessing. I imagine I would know. It may be taken for granted.

Mr. HALLEY. But you don't know one way or the other?

Mr. ROSENBAUM. I do not know that Continental Press controls it other than what you hear. We did no business with Continental.

Mr. HALLEY. Where did Byrnes get his service?

Mr. ROSENBAUM. I do not know.

Mr. HALLEY. Didn't you try to find out where you could get it? You might go to the same place Byrnes did. When Byrnes shut you off didn't you make efforts to get service somewhere?

Mr. ROSENBAUM. Other than that New Orleans proposition.

Mr. HALLEY. Why would you go to New Orleans? Why wouldn't you go to Byrnes' source?

Mr. ROSENBAUM. Byrnes was the source of information, Mr. Halley.

Mr. HALLEY. He got it from somewhere else. You knew that.

Mr. ROSENBAUM. But locally you couldn't get it if you didn't get it from Mr. Byrnes, because he had the service, the main service.

Mr. HALLEY. If he didn't want to give it to you, couldn't you get it?

Mr. ROSENBAUM. I don't know of any other way in that area, sir.

Mr. HALLEY. But he got it from someone else.

Mr. ROSENBAUM. That is very possible.

Mr. HALLEY. Isn't that the fact?

Mr. ROSENBAUM. I really don't know.

Mr. HALLEY. You must know. You weren't born yesterday.

Mr. ROSENBAUM. Here is what I am trying to say.

Mr. HALLEY. Byrnes didn't go to the tracks and get that service. He got it from someone else.

Mr. ROSENBAUM. Mr. Halley, I do not know whom Byrnes got the service from.

Mr. HALLEY. I am not asking whom he got it from. Did he get it from someone else?

Mr. ROSENBAUM. I imagine so.

Mr. HALLEY. He was the middle man.

Mr. ROSENBAUM. Yes; I would say that, sir.

Mr. HALLEY. But you don't know who he got it from?

Mr. ROSENBAUM. Definitely I do not know who he got it from.

Mr. HALLEY. You have heard the testimony that others understood it was Continental.

Mr. ROSENBAUM. They may take it for granted. Following that, I may say that, too, but I have nothing to base it on.

Mr. HALLEY. Have you any idea of any other persons or groups that could have been the source of Byrnes' wire service?

Mr. ROSENBAUM. No, sir; not to my knowledge.

Mr. HALLEY. You testified that you got your service from New Orleans when the wire was shut off.

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. And that a few days—when it was shut off on S. & G. originally other people continued to get it, is that right?

Mr. ROSENBAUM. That is very possible.

Mr. HALLEY. It is the fact, isn't it?

Mr. ROSENBAUM. They may have gotten it. We didn't get it and that is all we were concerned with.

Mr. HALLEY. They were getting it in Miami, for instance?

Mr. ROSENBAUM. That may be true.

Mr. HALLEY. Isn't it?

Mr. ROSENBAUM. I just don't remember that particular point. They probably did if you say there was service coming in to the Miami area.

Mr. HALLEY. You know it. You were the inside man. You were getting all the complaints from your bookies. Weren't they telling you that Craig was getting it in Miami and that others were getting it?

Mr. ROSENBAUM. That may be possible.

Mr. HALLEY. Isn't it the fact?

Mr. ROSENBAUM. When you speak of it in that light I just have no way of putting my finger right on it. I imagine it is so.

Mr. HALLEY. A few days later the service was shut off over the entire State of Florida, is that right?

Mr. ROSENBAUM. I believe it was.

Mr. HALLEY. But it wasn't shut off in New Orleans.

Mr. ROSENBAUM. I don't think so.

Mr. HALLEY. Why couldn't you keep right on getting it from New Orleans if that was your source?

Mr. ROSENBAUM. I don't know the answer to that, sir.

Mr. HALLEY. That sounds to me like a question you would have to answer in order to have your story stand up as being even possibly plausible.

Mr. ROSENBAUM. The entire thing was just a case of a lot of contention at the time and a lot of raids and the like of that. There was no reason to try to be active and have all that trouble.

Mr. HALLEY. You knew the heat was on from Chicago and until you settled with Russell there was no point in fooling around. Isn't that the fact?

Mr. ROSENBAUM. I can't say that, Mr. Halley.

Mr. HALLEY. You can't deny it, though, can you?

Mr. ROSENBAUM. I can deny it. I am just saying there was a lot of contention locally, a lot of raids and the like of that, and there was no sense in operating under those conditions.

Mr. HALLEY. You tried to operate from New Orleans, you testified.

Mr. ROSENBAUM. Yes, sir; we did.

Mr. HALLEY. You got service for a few days.

Mr. ROSENBAUM. Then there were quite a number of raids and the like of that, and we stopped operating.

Mr. HALLEY. You mean police raids?

Mr. ROSENBAUM. Yes, sir.

Mr. HALLEY. You mean it was synchronized so that at the same time the wire service was cut off the police got after you?

Mr. ROSENBAUM. That may have been.

Mr. HALLEY. The police activity was through this man Crosby, the Governor's special investigation; is that right?

Mr. ROSENBAUM. It may have been. I don't know.

Mr. HALLEY. Wasn't it?

Mr. ROSENBAUM. I don't know definitely.

Mr. HALLEY. You don't seem to know anything, Mr. Rosenbaum, that would affect your business.

Mr. ROSENBAUM. I have answered everything to the best of my ability.

Mr. HALLEY. I don't think you have. I think you are evasive and I think you are deliberately saying you do not know things you do know.

Mr. ROSENBAUM. There was contention at the time. There were a lot of raids.

Mr. HALLEY. There were a lot of raids.

Mr. ROSENBAUM. We stopped our business.

Mr. HALLEY. That is when Crosby was active, isn't it?

Mr. ROSENBAUM. He may have been there around that time.

Mr. HALLEY. He was there, wasn't he?

Mr. ROSENBAUM. Just about that time.

Mr. HALLEY. Let's have one definite answer.

Mr. ROSENBAUM. I believe so.

Mr. HALLEY. That is all.

The CHAIRMAN. I think in order to try to get this wire service straightened out we should put in the record three exhibits. (Three work sheets prepared by Mr. H. G. Robinson, associate counsel, were marked "Exhibit Nos. 166, 167, and 168," and appear in the appendix on pp. 789-790. Exhibit No. 166: Checks issued for "regular" wire service; exhibit No. 167: Checks issued for "special" wire service; exhibit No. 168: Gross betting receipts.) The first one starts off January 5, 1948, showing payments for wire service, \$1,500, then \$2,500, and later \$600, through that year and apparently it is endorsed by the Dade County News Dealers Supply Co. That is Mr. Byrnes. That was his outfit.

Mr. ROSENBAUM. Yes, sir.

The CHAIRMAN. Then for some reason during the same time checks were made to cash per month for a while for \$280, later \$349, and they are also endorsed by the Dade County News Dealers Supply Co. during that same period of time, apparently, or during most of the time. Do you know why that was? Why was there a duplication of checks? Why were two checks issued at the same time?

Mr. ROSENBAUM. For service, Senator.

The CHAIRMAN. One seems to be the regular wire service and the other seems to be issued for special wire service. What was the difference?

Mr. ROSENBAUM. Special wire service?

The CHAIRMAN. Yes. For instance, January 1, 1948, you have a check for regular wire service, \$1,500, endorsed Dade County News Dealers Supply Co., and on the same date, special wire service, a check for \$228.37, endorsed Dade County News Dealers Supply Co.

Mr. ROSENBAUM. I am not familiar with that particular item, offhand I don't know what special wire service would be.

The CHAIRMAN. Then later on, beginning the 13th of January 1949, the checks seem to be made to Intrastate News and Service. Byrnes was still running that?

Mr. ROSENBAUM. That is right; yes, sir.

The CHAIRMAN. There seems to be one check here to the Graham Press. Where did that come in, do you know?

Mr. ROSENBAUM. That may be for the scratch sheets and forms, Senator. I don't know. That is possible. I believe they printed the sheets.

The CHAIRMAN. We will make these sheets showing the wire service payments beginning January 1, 1948, to the end of the time you oper-

ated, exhibits to your testimony. Will you look at them and verify them?

Mr. ROSENBAUM. They must be correct. I would have to check the books.

The CHAIRMAN. Mr. Robinson, did you verify these from the books of the company?

Mr. ROBINSON. I took those from the actual canceled checks.

Mr. ROSENBAUM. The payments for the services. That must be correct.

The CHAIRMAN. That is all, I believe, unless you have something.

Mr. Griffin, will you come around, sir? Will you swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. GRIFFIN. I do.

FURTHER TESTIMONY OF C. V. GRIFFIN, ACCOMPANIED BY DAVID REICH, ATTORNEY, WASHINGTON, D. C.

Mr. HALLEY. Mr. Griffin, you previously testified before this committee in Miami; is that right?

Mr. GRIFFIN. Yes, sir.

Mr. HALLEY. At that time there was some question as to whether certain statements which Mr. Downey Rice, who is sitting right here, believed you made, had been made by you. I think you at least very much doubted whether you made those statements.

Mr. GRIFFIN. That is correct.

Mr. HALLEY. I believe you volunteered to appear here again today and go into that matter more fully, is that correct.

Mr. GRIFFIN. That is correct.

Mr. HALLEY. When Governor Warren decided to run for the governorship back in 1948, did he call upon you to handle his campaign?

Mr. GRIFFIN. Yes, sir.

Mr. HALLEY. Just what happened?

Mr. GRIFFIN. His campaign was practically at a standstill for money to operate. He asked me to come and help him out and handle the finances and managing of the campaign.

Mr. HALLEY. You then called on Lou Wolfson to help?

Mr. GRIFFIN. That is correct.

Mr. HALLEY. Then William Johnston entered into the picture?

Mr. GRIFFIN. That is correct.

Mr. HALLEY. How did Johnston enter into the picture?

Mr. GRIFFIN. By invitation, the same as Mr. Wolfson.

Mr. HALLEY. Who invited him?

Mr. GRIFFIN. Mr. Johnston had been invited. He had been in the campaign back in 1940 with some money. The Governor suggested that he be invited. Both Mr. Johnston and Mr. Wolfson before I came into the picture had put a small amount of money in his campaign.

Mr. HALLEY. I think you stated to Mr. Rice that Johnston was sought out because of his known dog track holdings and because he seemed to have access to large amounts of money.

Mr. GRIFFIN. I knew he had large dog track holdings and was considered quite well-to-do and thought he would be interested in it. I thought he would come along with some finances.

Mr. HALLEY. Each of you, you, Wolfson, and Johnston, put \$154,000 into the campaign, is that right?

Mr. GRIFFIN. I put \$154,000. We all divided up the expenses equally. We didn't restrict anybody from putting in money. We accepted it from anybody who offered it, but we got very few contributions.

Mr. HALLEY. Were those contributions made by check or by cash?

Mr. GRIFFIN. How is that?

Mr. HALLEY. Were the contributions made by check or by cash?

Mr. GRIFFIN. All mine were made by check. I think all of Mr. Wolfson's after the start of the treasury of the campaign when we decided who would be treasurer, were made mostly to him. I think I received one check from Mr. Johnston. When we agreed to put up so much money, we put it up to the treasurer and each one of us took our money down there.

Mr. HALLEY. Isn't it a fact that most of Mr. Johnston's contributions were made in cash?

Mr. GRIFFIN. I understood that they were; yes.

Mr. HALLEY. You made certain statements to Mr. Rice about your having come to the conclusion that Mr. Johnston's motives in the campaign were tied up with certain Chicago racket elements, is that correct?

Mr. GRIFFIN. I believe there is a little misunderstanding there. That was not a statement. It was my opinion from information that I had received and what I read in the papers and people—it was common gossip that he had connections in Chicago.

Mr. HALLEY. Of course, during this campaign you——

Mr. GRIFFIN. None of it came up during the campaign.

Mr. HALLEY. I am just leading up to it. During the campaign you and Wolfson and Johnston had practically financed it together, is that right?

Mr. GRIFFIN. That is right.

Mr. HALLEY. You assumed a great responsibility.

Mr. GRIFFIN. Quite a responsibility I would say.

Mr. HALLEY. In each case there was a question about what a man would be expecting to get out of it where he had put \$150,000 into a campaign, isn't that right?

Mr. GRIFFIN. There was very little discussion that I remember about what any of us expected to get out of it. Of course, I knew what I had expected to get out of it, and that was some citrus laws that I thought would benefit my business.

Mr. HALLEY. You have already testified that as a result your partner was made citrus commissioner?

Mr. GRIFFIN. Without pay, citrus commissioner.

Mr. HALLEY. And he handles that?

Mr. GRIFFIN. All the legislation is worked out by him.

Mr. HALLEY. Then I think you had a considerable discussion with Mr. Rice about how, after the campaign, you came to a conclusion, Mr. Johnston was interested in representing certain Chicago interests in Florida, is that right?

Mr. GRIFFIN. I told Mr. Rice that it was gossip in the papers and possibly in my opinion they had connections in Chicago, but I never made the direct statement that he had.

Mr. HALLEY. You said the thing had begun to impress itself on your mind as a conclusion, is that right?

Mr. GRIFFIN. That is correct.

Mr. HALLEY. In fact, you met John Patton with Johnston, is that right?

Mr. GRIFFIN. The only time I met Mr. Patton I was with him at a wedding in Jacksonville where there were several hundred people, there were priests and doctors and bankers and everyone there.

Mr. HALLEY. Apparently you gave the impression then and made the statement quite definitely to Mr. Rice that in meeting Patton at this wedding of the Johnston family was one factor that opened your eyes. Is that so?

Mr. GRIFFIN. Yes.

Mr. HALLEY. To put it very briefly, isn't it a fact that you told Mr. Rice at the time he interviewed you that as the situation progressed, it became apparent to you that Johnston's motive in contributing to the campaign was to assure his group of protection to operate gambling interests in Florida?

Mr. GRIFFIN. I can't say that I made that statement. There were indications of that. It was in the papers, gossip. I don't believe that I made the statement directly, but there were lots of things that indicated that.

Mr. HALLEY. The indications were such that your conclusions got strong enough that you asked the Governor to appoint you a special investigator, is that right?

Mr. GRIFFIN. That is right.

Mr. HALLEY. In fact—

Mr. GRIFFIN. I did not only for gambling, but there were other things happening that I didn't like the looks of, and I asked to be special investigator for the Governor's office. That took in a lot of territory, anything that I might find that wasn't to the best interests.

Mr. HALLEY. In fact, you received a card from the Governor dated July 21, 1949, designating you as chief investigator?

Mr. GRIFFIN. That is correct.

Mr. HALLEY. I think you stated that one of the things you were interested in was gambling.

Mr. GRIFFIN. I was interested in gambling as well as many other things that seemed to be, I thought, embarrassing to the Governor or might become embarrassing, even at the time.

Mr. HALLEY. I think you testified that some time after that you had asked the Governor to announce your appointment, is that right?

Mr. GRIFFIN. My appointment was announced along, I think, in January some time. I don't remember just what date. I believe it was the latter part of January or February.

Mr. HALLEY. The card says the 21st of July 1949.

Mr. GRIFFIN. At the time he appointed me chief investigator I told the Governor I didn't want to take any active part at the time, that it was merely an appointment that might become necessary. I was in the fruit business and didn't want to get in the investigating business, but if conditons came about that made it imperative in my mind

that I thought he needed me, I would take the responsibility of straightening anything out, not only gambling, but anything else.

Mr. HALLEY. When was it made public, in January of 1950?

Mr. GRIFFIN. Whenever the press release was, I don't remember.

Mr. HALLEY. The next day it was rescinded, is that right?

Mr. GRIFFIN. The next day or maybe the second day, shortly after the announcement.

Mr. HALLEY. I think you have already testified that you tied in the rescission of that appointment with a visit by Mr. Johnson to Tallahassee, is that right?

Mr. GRIFFIN. The announcement was in the Sunday papers. I saw Mr. Johnston in Tallahassee Monday afternoon, and at approximately 10 o'clock Monday night the Associated Press called me and said I had been suspended and fired as chief investigator and asked me for an answer.

Mr. HALLEY. Did you tell this Mr. Rice that in your opinion the Governor was considerably perturbed about the situation in the sense of actual fear for his physical welfare?

Mr. GRIFFIN. I can't remember ever making a statement of that kind.

Mr. HALLEY. Didn't you say that as a result of various conversations you had with the Governor you came to the conclusion that he had received some threats?

Mr. GRIFFIN. The Governor was in the hospital along in January and Christmastime. He was in quite a nervous condition. There was a considerable number of rumors around that you would hear on the street corner. In fact, I even asked him, "Tell me what is bothering you, what is the trouble?" He refused to say there was any trouble except he was just nervous, his health was bad. He never would say anything. You could get the gossip, what other people would tell you.

Mr. HALLEY. Didn't you tell Mr. Rice that it was your conclusion that the Governor had received threats both by telephone and personally from various strong-arm men?

Mr. GRIFFIN. I don't remember making that statement. He possibly had, but not to my knowledge.

Mr. HALLEY. But you had heard those things?

Mr. GRIFFIN. I hadn't learned that he had told anyone. I had heard that gossip. Other people had told me, but I hadn't heard it.

Mr. HALLEY. Would you say it was more than gossip that the Governor had been threatened?

Mr. GRIFFIN. Not common gossip, no, I wouldn't say that, but I heard it from several people, more than one person.

Mr. HALLEY. I think that is all.

The CHAIRMAN. That is all, Mr. Griffin, unless you have something you want to add.

Mr. GRIFFIN. Nothing.

The CHAIRMAN. Or your counsel?

Mr. REICH. I have nothing to add.

The CHAIRMAN. Mr. Johnston, will you come around, please? Do you solemnly swear that the testimony you will give before this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. JOHNSTON. Yes, sir.

**TESTIMONY OF WILLIAM H. JOHNSTON, JACKSONVILLE, FLA.,
ACCOMPANIED BY JOHN W. PEHLE AND LAWRENCE S. LESSER,
ATTORNEYS, WASHINGTON, D. C.**

The CHAIRMAN. What is your name, sir?

Mr. LESSER. Lawrence S. Lesser, and this is Mr. Pehle.

The CHAIRMAN. Mr. Lesser, are you an attorney of Jacksonville?

Mr. LESSER. No, of Washington, D. C.

The CHAIRMAN. And Mr. Pehle?

Mr. LESSER. Also of Washington, D. C.

The CHAIRMAN. All right, Mr. Halley.

Mr. HALLEY. Mr. Johnston, I understand you have a statement you would like to make to the committee before you are questioned.

Mr. JOHNSTON. I would, sir.

Mr. HALLEY. Before we do that, may we have your full name and address and your business?

Mr. JOHNSTON. It is in this statement.

Mr. HALLEY. Go right ahead.

The CHAIRMAN. Do you have extra copies of your statement?

Mr. JOHNSTON. I will give you this one.

Mr. Chairman and members of the committee, my name is William H. Johnston. I reside at 1090 Arbor Lane, Jacksonville, Fla. I am interested in and am an official of various corporations which run legal horse- and dog-racing tracks.

At the outset I want to express to this committee my appreciation for the opportunity afforded to me to appear before it. I offer the committee my full cooperation. As is apparent from the nature of my business, I am interested in seeing that gambling is not conducted in any way which will violate the laws of any State. I take it, however, from reading the Senate resolution which established this committee that it is not the purpose of the committee to attempt to prove that legalized gambling on horse and dog racing is bad or to recommend that those many States which have seen fit to legalize horse and dog racing and parimutuel betting change those laws.

I gather from the articles which have appeared in the press that this committee is interested in knowing my business connections and is interested in the details of my contributions to the campaign of Gov. Fuller Warren and the reasons therefor. First, let me list my business connections. I am the president of the National Jockey Club which owns Sportsman's Park near Chicago, at which horse racing is conducted. In addition, I am the president of the following establishments which conduct dog races in Florida: Miami Beach Kennel Club, Jacksonville Kennel Club, Orange Park Kennel Club, and Associated Outdoor Clubs.

I and my immediate family own minority stock interests, ranging from 10 percent to approximately 27 percent, in each of these racing establishments. These holdings are our personal possessions, having been purchased out of our own funds and are not and never have been held for any other person or persons whatsoever. All of the aforesaid racing establishments operate racing tracks with parimutuel betting pursuant to and in accordance with the laws of the States in which those tracks are situated. It is obviously not in the interest of those tracks that bookmaking establishments be permitted to operate.

With respect to my contribution to the campaign of Governor Fuller Warren, I am happy to discuss it in detail. I have known Governor Warren as a close and intimate friend for more than 15 years. My acquaintanceship over this period of time has convinced me that he is an able, competent, and honest man—a man who I felt would make and indeed has made an outstanding Governor for the State of Florida. It was this and my strong friendship which prompted me to help Fuller Warren.

My participation in this matter came about in the following manner. I was approached by Mr. C. V. Griffin, a citrus grower in the State of Florida, and Mr. Louis Wolfson, a Jacksonville businessman, relative to underwriting Fuller Warren's campaign for Governor. We agreed jointly to underwrite that campaign and immediately each of us put up the sum of \$25,000. At the time I thought that sum probably would be sufficient, but it wasn't. Apparently word got out in one form or another that adequate arrangements had been made to finance Governor Warren's campaign, and accordingly many of the good people of the State of Florida who otherwise would have contributed felt that there was no necessity for a contribution from them and our underwriting pledge amounted to much more than any of us originally thought. However, I had given my word and although it cost me more than I had originally intended, my word was my bond, and I carried out my agreement with Mr. Griffin and Mr. Wolfson. As a result, I turned over for that campaign approximately—when I say approximately, it might be four or five thousand dollars either way there—approximately \$100,000. Of this sum I collected \$35,000 from my brother, J. R. Johnston; \$10,000 was contributed through me by Max Silverberg, of Miami Beach, Fla. The rest of this money came from my own personal funds, with the exception of \$15,000 which I received in connection with the second primary from James R. Bussey, of St. Petersburg, Fla.

Why the help which I gave Governor Warren should cause such a stir I am unable to understand. I am not a politician but I want to say to this distinguished committee that if a man who has been fortunate enough to acquire a little means cannot help a close personal friend to achieve his life-long ambition, then we are departing from what I have always thought to be a traditional American practice.

The CHAIRMAN. How much longer is your statement, Mr. Johnston?

Mr. JOHNSTON. About 2 minutes.

The CHAIRMAN. I am afraid we will have to declare about a 15-minute recess. That one bell means there is a vote on some matter. I regret that we will have to have a recess for 15 minutes. Then we will be back.

(Brief recess.)

The CHAIRMAN. All right, Mr. Johnston, if you will proceed with your statement.

Mr. JOHNSTON. Before closing this statement, I want the record to show that I am now and always have been willing to appear before this committee and to cooperate in whatever way I can. It has come to my attention that the fact that I was unable to appear before this committee when it first held hearings in the State of Florida resulted

in newspaper stories to the effect that I had fled the country to avoid the committee's subpoena. This I strenuously object to. The facts are that last winter, many months before the formation of this committee, I planned, with my wife and son, both of whom subscribe to the Catholic faith, that I would take them on a pilgrimage to Rome this year, my twenty-fifth wedding anniversary. We made application to the State Department for our passports, I believe in April, having previously arranged our passage.

As a matter of fact, a newspaper columnist 2 months before had published the fact that I was making a trip abroad and was sailing on May 23, my twenty-fifth wedding anniversary. I carried out those plans with my family and while in Europe visited Rome, England, Ireland, Scotland, Switzerland, and France, returning to the United States on the steamship *Queen Elizabeth* on June 29. I remained at my home in Jacksonville until July 5. Thereafter I was at all times either at the Sportsman's Park offices or at my summer home at Saugatuck, Mich. At no time did I dodge any subpoena. When I learned through the press that the committee desired my testimony, I sent to the honorable chairman of this committee a telegram expressing my willingness to appear at a later date at the convenience of the committee. I heard nothing further from this committee until last Wednesday, when I was told that a subpoena had been issued. I promptly drove 140 miles to Chicago to accept that subpoena.

The CHAIRMAN. Mr. Johnston, I think the record should show that your telegram was received in the morning, and I read it into the record at the public hearing at Miami the same morning. So it was made a part of the record. I explained to the press at that time that the telegram had come, and it appeared that you were willing to testify, and I thought that was a reasonable explanation.

Mr. JOHNSTON. Thank you.

The CHAIRMAN. You may proceed.

Mr. JOHNSTON. In conclusion I want to state that I am not a gambler. I do not and have never knowingly engaged in illegal activities of any nature whatsoever. If the statement which I have read is incomplete on any point within the province of this committee and on which the committee desires further information, I shall be happy to answer the committee's questions to the best of my ability.

The CHAIRMAN. We are going on for a while, Mr. Johnston. I don't know how long your testimony will take. In case we carry over until tomorrow, what is your situation?

Mr. JOHNSTON. I prefer to get it over tonight. Friday night I have been invited to Chicago for the all-star football game and have invited people to be my guests at the football game.

The CHAIRMAN. You fly, don't you?

Mr. JOHNSTON. Yes, sir.

The CHAIRMAN. Tomorrow is Thursday, I believe.

Mr. JOHNSTON. That is true. I could stay tomorrow.

The CHAIRMAN. You could be here tomorrow.

Mr. JOHNSTON. Oh, yes, sir. Any time you want me, I will be here.

The CHAIRMAN. We will go along a while now, and if it seems as though it is going to be too late, we will recess over until tomorrow. All right, Mr. Halley.

Mr. HALLEY. Mr. Johnston, first, with reference to the subpoena, sometime before the committee hearings opened in Miami the com-

mittee investigators made very strenuous efforts to locate you through your office in Jacksonville, through your home, and through Mr. Rush.

Mr. JOHNSTON. Mr. Halley, if the committee or your investigators tried to locate me, they never left word who they were, with the exception of Mr. Rush.

Mr. HALLEY. We spoke to Mr. Rush at least 2 days before the hearings opened, and in fact Mr. Rush said—and I call it to your attention for your comment—that the reason you felt that you could not afford to appear at the hearings in Miami was that there would be considerable question raised about your contributions to the campaign in view of the Florida law which makes it illegal for a company engaged in racing to make contributions, and it makes it prima facie a violation of the law for an officer of such a company to make a contribution. You said you thought it would interfere with your getting racing dates. Is that something that was communicated by him to you?

Mr. JOHNSTON. No, sir. The first that I received word from Mr. Rush was a telephone call on a Thursday, and I believe you were meeting in Miami the next day. Immediately on getting that telephone message—

Mr. HALLEY. I am quite serious, because on the Monday and Tuesday previous Mr. Rush was spoken to at great length by Mr. Rice, our assistant counsel, and he promised to get in touch with you immediately. He is your counsel, isn't he?

Mr. JOHNSTON. No. He is counsel for one of my race tracks, but I have no personal counsel other than these gentlemen. This is the first time I have ever had to have personal counsel.

Mr. HALLEY. You have gotten service from the people who represent the tracks, in other words. Isn't that so?

Mr. JOHNSTON. In what form?

Mr. HALLEY. Legal service.

Mr. JOHNSTON. I never have had any legal service.

Mr. HALLEY. Haven't you ever had any legal advice from Mr. Rush?

Mr. JOHNSTON. Not as to my personal affairs.

Mr. HALLEY. In connection with this contribution Mr. Rush did finally reach you?

Mr. JOHNSTON. I got a message on Thursday, I believe it was.

Mr. HALLEY. Not before that?

Mr. JOHNSTON. Thursday I got the message at my office in Chicago.

Mr. HALLEY. The committee staff held hearings on Thursday, Friday, and Saturday.

Mr. JOHNSTON. On Friday I sent the telegram.

Mr. HALLEY. It was a night letter which the committee received that night or the next morning.

Mr. JOHNSTON. I sent the telegram Friday morning about 11 o'clock.

Mr. HALLEY. Didn't it occur to you that as a citizen it was your duty to appear for those hearings or at least to offer to appear?

Mr. JOHNSTON. I did offer to appear.

Mr. HALLEY. You offered to appear at some subsequent time in Chicago.

Mr. JOHNSTON. At the time that I received that telegram, the first time I knew of it was on a Thursday and your hearing had already started. I immediately sent you that telegram offering at my own expense to appear any place, any time that you set.

Mr. HALLEY. But not offering to appear at the hearings in Florida. In fact, you delayed a whole day before telegraphing.

Mr. JOHNSTON. I didn't delay a whole day.

Mr. HALLEY. The committee tried to reach you at Sportsman's Park in Chicago by telephone.

Mr. JOHNSTON. If they did, they left no word who was calling.

Mr. HALLEY. They most certainly did.

Mr. JOHNSTON. I didn't receive the information.

Mr. HALLEY. Let's not say things like that.

Mr. JOHNSTON. I am not saying things like that, Mr. Halley, because I sent that telegram the minute I heard of it. It was the farthest thing from my mind that this committee would even want to hear me. I am not in any illegal business.

Mr. HALLEY. You are a pretty well-known man, aren't you?

Mr. JOHNSTON. I am.

Mr. HALLEY. The committee actually issued a statement to the press and the radio which was very widely circulated on Wednesday, saying that you were among a number of witnesses who simply couldn't be found.

Mr. JOHNSTON. I believe that is true, and I saw it in Thursday's paper.

Mr. HALLEY. In fact, wasn't it the clear implication of your telegram, which you neglected to send until Friday, that while you would be willing to appear before the committee, you hadn't the faintest intention, if you could help it, of being served with a subpoena for appearing at the Miami hearings?

Mr. JOHNSTON. No, sir.

Mr. HALLEY. You said you would appear in Chicago or elsewhere.

Mr. JOHNSTON. I believe I have the telegram here, and I will read it to you and see. I think I have a copy.

Mr. HALLEY. Let's hear it.

Mr. JOHNSTON. I am sorry if you misinterpreted the telegram.

Mr. HALLEY. I don't think I have. I think you just evaded the subpoena of this committee until you would be good and ready to appear.

Mr. JOHNSTON. I am sorry you have that interpretation of it.

Mr. HALLEY. Let's read the telegram.

Mr. JOHNSTON. Mr. Lesser, do you have a copy of that telegram? I thought I had it here, but I gave it to my attorney.

Mr. HALLEY. We will find it.

Mr. JOHNSTON. I don't have it here, I am sorry. I thought I had it.

Mr. HALLEY. It is in the record, and I will read it. This telegram was not received by the committee before Saturday morning, its last day.

Mr. JOHNSTON. Mr. Halley, I want to interrupt you just one moment. That telegram was sent about 11 o'clock on Friday, and if you didn't receive it until Saturday morning, I think we ought to investigate where it was held all that time.

Mr. HALLEY. The committee will probably form its own conclusions as to that.

Mr. JOHNSTON. I just wanted the record clear.

The CHAIRMAN. I think it should be made clear where the telegram was. It was sent to the hotel. It may have been there at lunch time

but we didn't return there for lunch. So it came to the attention of the committee that night.

Mr. JOHNSTON. I addressed it to you, Senator, in care of the courthouse at Miami. They must have delivered it to the hotel by mistake, and I am sorry if that happened. I sent the telegram to the courthouse in Miami, where I understood the hearings were being held.

Mr. HALLEY. On Saturday morning, the last day of the hearings, the chairman was able to put into the record the following telegram:

Information has reached me through the press that you desire my presence before your committee in Miami, Fla. No official notice has reached me. I am perfectly willing to appear before your committee without being subpoenaed. However, a harness-racing meeting opens tonight at Sportman's Park of which I am president. Consequently, it would be extremely inconvenient for me to appear during the present hearings being held by your committee. The harness racing meeting runs through August. I am informed that your committee will convene in Chicago on July 21. As I will be in Chicago at that time, I will be glad to appear then if you so desire. However, I shall appear at any other future time you may designate and in Washington, if you wish, at my own expense. My recent trip to Europe—

This goes on about your European trip.

Isn't it perfectly clear from this that until it was too late for you to be called to Miami, you just lurked in Chicago beyond the reach of our process server?

Mr. JOHNSTON. I wouldn't say that.

Mr. HALLEY. Then you made it clear in your telegram that it was just inconvenient for you to show up in Miami and that you had no intention of doing so.

Mr. JOHNSTON. I would not construe it that way, Mr. Halley.

Mr. HALLEY. You said that you would appear at any other future time.

Mr. JOHNSTON. Mr. Halley, you have no process server other than Mr. McKeens, who I went and accepted that from.

Mr. HALLEY. In fact, in your very first sentence you say that information has reached you through the press.

Mr. JOHNSTON. That is right.

Mr. HALLEY. Actually you have testified here that the information reached you through Mr. Rush.

Mr. JOHNSTON. It was both the press and my office. There was a telephone call there and the newspapers. I don't know which one I put in there. Possibly I should have said Mr. Rush and the press, and I would have been correct.

Mr. HALLEY. First, I assure you that the committee made the most strenuous efforts and the press made the most strenuous efforts to get word to you, the committee as early as Monday and the press as early as Wednesday, that we had tried to serve a subpoena at your usual residence and business places and couldn't find you. Second, Mr. Rush stated to the committee that your reason was that you wanted to avoid testifying about your contribution until you had gotten your racing dates assigned. Third, your telegram bears out the fact that you had no intention of coming to Miami. You nowhere offered to come to Miami. You simply said you would be available at any other future time.

Mr. JOHNSTON. Mr. Halley, there was only one call that ever came to my home, and my daughter answered that call, so she advised me. The Miami Daily News had called and left word for me to call back.

From the way the Miami Daily News has twisted every statement that I have made, I wouldn't have called them back for \$14,000,000.

Mr. HALLEY. The committee made very many efforts to reach you, Mr. Johnston.

Mr. JOHNSTON. I am sorry that there is a misunderstanding of that, Mr. Halley.

Mr. HALLEY. I don't think there is a misunderstanding. I think you just didn't want to appear until you had gotten your racing dates.

Mr. JOHNSTON. I am sorry that is your opinion.

Mr. HALLEY. You have received your racing dates, haven't you?

Mr. JOHNSTON. Yes; I have received my racing dates, but the racing dates have nothing to do with appearing before this committee.

Mr. HALLEY. After you received your racing dates, the Governor of Florida instituted an investigation of the contributions by people connected with race tracks; is that right?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. But you got your racing dates.

Mr. JOHNSTON. Subject to any investigation. If it is brought out that any of the licensees made contributions to political campaigns, that is a matter for the permit. The permit is canceled, and the racing dates are automatically canceled. In other words, there are two different things in the racing law of Florida. There is the permit. The permit holder applies for dates. If he is the holder of a legal permit, the racing commissioner must give him the dates. However, if the permit is taken away, the dates are canceled.

Mr. HALLEY. When you made your contributions—and I believe you testified your personal contribution was about \$100,000 of your money.

Mr. JOHNSTON. That is right.

Mr. HALLEY. Were you not aware of the law of Florida relating to contributions by racing associations and people connected with them?

Mr. JOHNSTON. There is nothing in the law that says anything about people connected with racing associations.

Mr. HALLEY. Then I had better read it to you.

Mr. JOHNSTON. You had better read it, I think.

Mr. HALLEY. I read from section 1875.19 of the Florida Statutes of 1941, a section making it a crime for any corporation or corporate organization or any domestic corporation to make any contribution to any political party or organization, and also making it further a violation for any officer, employee, agent, or other representative of such corporation to violate the section or to make a contribution. Then it goes on to say, and I quote:

The violation of this section by any officer, employee, agent, attorney, or any other representative of a corporation shall be prima facie evidence that such officer, employee, agent, attorney or other representative is acting for and in behalf of such corporation.

Mr. JOHNSTON. I think you are reading the wrong statute.

Mr. HALLEY. I am reading the one that the attorney general of Florida testified made your contribution illegal.

Mr. JOHNSTON. Here is the statute. Section 1875.19 is the one you were reading. The statute in regard to racing is 550.07.

Mr. HALLEY. At the moment I am working on a contribution by a corporation.

Mr. JOHNSTON. The contribution by a corporation is section 1875, which has nothing to do with race tracks. According to this, any

corporation or any bank or anything else where one of their employees gave \$1, they would get their charter canceled.

Mr. HALLEY. I understand that, but it has this very specific section, that if an officer or employee or agent does it, it is prima facie evidence.

Mr. JOHNSTON. Not at a race track.

Mr. HALLEY. A race track as well.

Mr. JOHNSTON. The race track law specifically states—let me read it.

Mr. HALLEY. A race track is no different than any other company.

Mr. JOHNSTON. I don't know. Let's see. Maybe it is.

Mr. HALLEY. Now we get to the race-track law.

Mr. JOHNSTON. Section 550.07.

Mr. HALLEY. Of the statutes of 1941, which is the same statute.

Mr. JOHNSTON. The statute you you are reading, 1875, is from 1897.

Mr. HALLEY. They are both Florida statutes of 1941.

Mr. JOHNSTON. Let me ask you this. You are a lawyer. This statute 550.07, states:

It is unlawful for any licensee under this chapter directly or indirectly to make any contribution whatsoever to any political party or to any candidate for any State, county, district, or municipal office, and the commissioner, upon proof of any contribution having been made, shall immediately revoke the permit of such licensee and no further license shall be permitted or issued to such former licensee.

It doesn't say a word about employee there.

Mr. HALLEY. I know that particular section doesn't, but doesn't it stand to reason—and I know the attorney general of the State of Florida so testified—that where the president and a chief stockholder of such a corporation makes a contribution, it can be and probably will be construed to be an indirect contribution by the racing association?

Mr. JOHNSTON. It states further in the racing law, 550.23, application of laws inconsistent with this chapter:

All laws and parts of laws inconsistent with any of the provisions of this chapter are expressly declared not to apply to any person participating or engaged in racing or making contributions to pools therein and authorized and conducted under this chapter.

In other words, the penalty under the racing law is the revoking of your charter, and this cancels any previous laws as to any persons who are engaged in racing.

Mr. HALLEY. It is perfectly apparent that the public policy of the State of Florida was to keep people in the racing business from making political contributions, isn't it? You are the heart and soul of four dog tracks in Florida.

Mr. JOHNSTON. I wouldn't say that.

Mr. HALLEY. You run them; don't you?

Mr. JOHNSTON. I am the president of them.

Mr. HALLEY. You run them.

Mr. JOHNSTON. I am the president and run them; yes.

Mr. HALLEY. When you make a contribution, the track is making it.

Mr. JOHNSTON. No, sir; they are not making it when I make a contribution.

Mr. HALLEY. What is good for you is good for the track, and vice versa.

Mr. JOHNSTON. No, sir; I am not making any contribution for the race track when I make a personal contribution.

Mr. HALLEY. You made a great deal of your contributions in cash, did you not?

Mr. JOHNSTON. Yes, sir; I did.

Mr. HALLEY. Do you ordinarily deal in large sums of cash?

Mr. JOHNSTON. Yes; I have cash all the time.

Mr. HALLEY. How much of your contribution was in cash?

Mr. JOHNSTON. Wherever I gave a contribution to Griffin or to Wolfson, I gave it in checks. Contributions that I made to the treasurer I made in cash.

Mr. HALLEY. How much would they be? Would you say 10 percent of your total was in cash? Fifty percent?

Mr. JOHNSTON. I would say about 60 percent, 50 to 60 percent.

Mr. HALLEY. In other words, you contributed about \$60,000 cash money to the Warren campaign.

Mr. JOHNSTON. Let me see. I would say maybe more than that. Let me explain this to you so you will understand it.

Mr. HALLEY. I wish you would.

Mr. JOHNSTON. This \$100,000 that I said I contributed in to the campaign is \$100,000 that I gave in there. There was an additional \$35,000 that I had loaned to Griffin, that he paid me back. You understand that. In other words, if you add up the amount of cash I say I put in plus the checks, it will amount to maybe \$130,000, but some \$30,000 of that was notes that I received from Griffin, which I got back. So my contribution was about \$100,000. Isn't that right?

Mr. HALLEY. Of that you say about \$60,000 was in actual cash money.

Mr. JOHNSTON. Something like that; yes.

Mr. HALLEY. Was that your own personal cash money?

Mr. JOHNSTON. I told you. Part of it was mine, part of it I got from my brother, and part from Silverberg.

Mr. HALLEY. Who was Silverberg?

Mr. JOHNSTON. Max Silverberg is a concessionaire. He runs a concession at Arlington Park in Chicago, Washington Park, Sportsman's Park, and my dog tracks.

Mr. HALLEY. What kind of concessions are they?

Mr. JOHNSTON. Hot dogs, hamburgers, liquor—a regular concession.

Mr. HALLEY. At the tracks?

Mr. JOHNSTON. At the tracks.

Mr. HALLEY. Who was the other person? You mentioned somebody in St. Petersburg.

Mr. JOHNSTON. James R. Bussey, an attorney from St. Petersburg. Jim Bussey was supporting Mr. Schanz in the first primary. He told me that if Mr. Schanz won the second primary, he would help me raise the money, because we couldn't raise any money. I don't know why, it seems that everybody who was supporting Warren was broken or didn't want to put any money up.

Mr. HALLEY. What is Bussey's business?

Mr. JOHNSTON. An attorney.

Mr. HALLEY. He is reputed to represent a number of gamblers.

Mr. JOHNSTON. He represents the chain stores, if you please. He never represented a gambling house in his life.

Mr. HALLEY. Are you sure of that?

Mr. JOHNSTON. I am positive.

Mr. HALLEY. Did anybody else contribute?

Mr. JOHNSTON. Nobody else.

Mr. HALLEY. Why were these contributions made in cash rather than by check?

Mr. JOHNSTON. For the simple reason that that is how I wanted them.

Mr. HALLEY. Why?

Mr. JOHNSTON. For the simple reason that if Mr. Warren hadn't won, I didn't want to be identified with any political campaign.

Mr. HALLEY. You did make some in checks.

Mr. JOHNSTON. No, I never put it into the campaign fund. I gave that to Lou Wolfson or to Griffin. There was never a check of mine that went into that treasury.

Mr. HALLEY. It would be perfectly apparent. As soon as anybody asked any questions, it would come out where the money came from.

Mr. JOHNSTON. When I started in this campaign, I started in to help a friend of mine, and I didn't think it was good policy for me to be in politics or to be in a campaign. I told these gentlemen that when I did that I wanted to be in the background in the campaign, and I would just help underwrite the campaign.

Mr. HALLEY. How much of your own money is in this now?

Mr. JOHNSTON. I imagine around \$45,000 or \$50,000.

Mr. HALLEY. No more than that?

Mr. JOHNSTON. There was \$35,000 of my brother's money. What is mine is his, and what is his is mine. That is the way we have been all our lives.

Mr. HALLEY. And about \$40,000 of your money?

Mr. JOHNSTON. Yes.

Mr. HALLEY. What were you looking for for this money? What did you expect to get out of this campaign?

Mr. JOHNSTON. I didn't expect anything. As I told you before, Mr. Halley, when I started in this thing Fuller Warren had been my friend for 15 years. Mr. Griffin and Mr. Wolfson came to me and asked me to underwrite this campaign. They said that unless the campaign was solid and they knew there was some money in it, they couldn't get contributions, and if we put up this amount of money, it would naturally start the ball rolling and possibly they wouldn't need any and we might get some of it back because contributions would keep coming in. They never came in.

The CHAIRMAN. Mr. Johnston, because of the late hour I think that we are going to have to recess this hearing until tomorrow. Unfortunately, every member of the committee has some other important committee meeting in the morning, so I had in mind recessing until 1:30 tomorrow afternoon. Would that be convenient with you and enable you to get away in time?

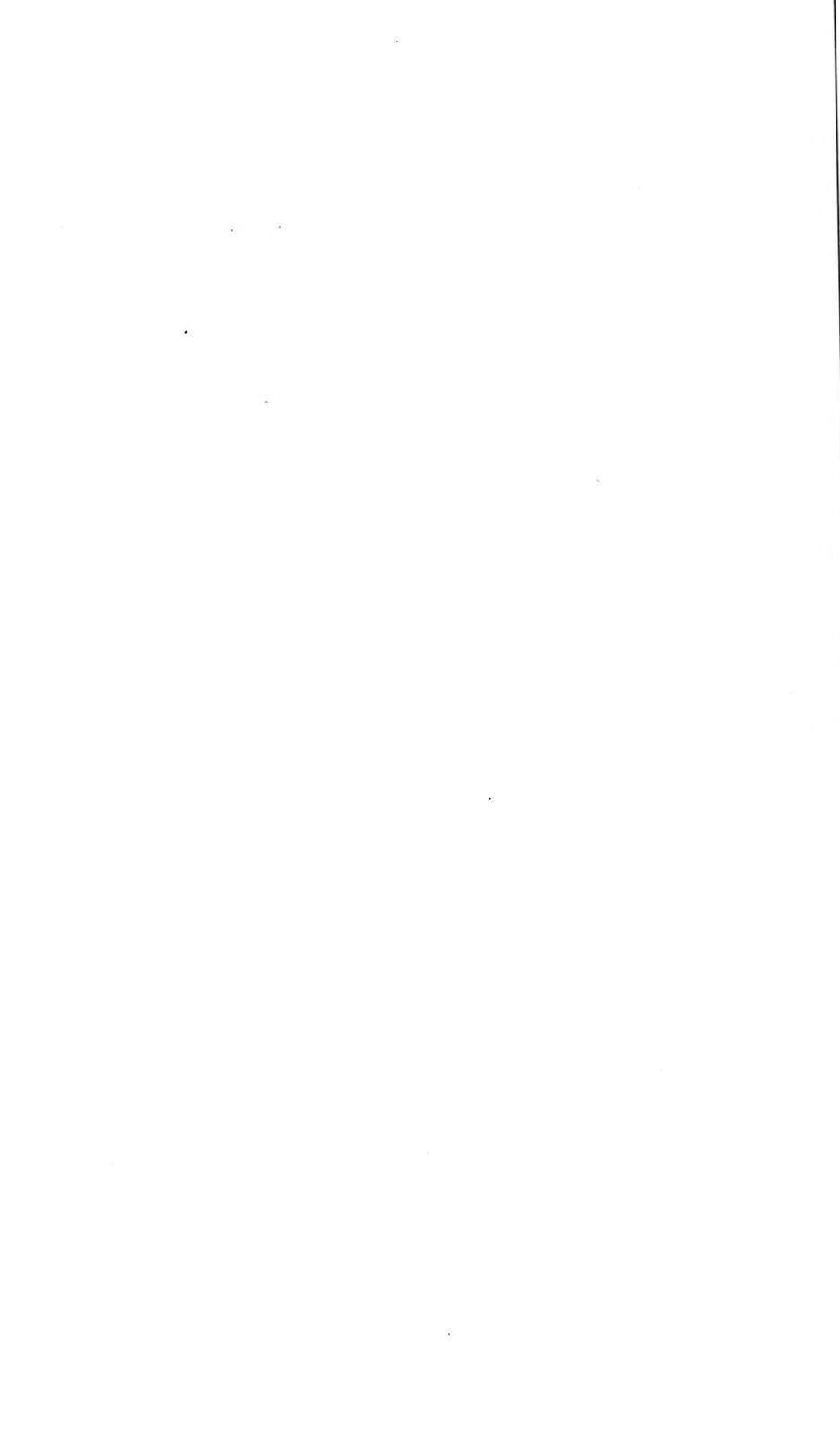
Mr. JOHNSTON. It would be; yes. You couldn't finish with me tonight? I don't want to tax you too long.

The CHAIRMAN. If it would be convenient with you, I think we would rather finish up tomorrow afternoon.

Mr. JOHNSTON. If it is convenient to you, I will wait.

The CHAIRMAN. The committee will stand in recess until 1:30 tomorrow afternoon at the same place.

(Whereupon, at 6:10 p. m. a recess was taken until 1:30 p. m. the following day.)



INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

THURSDAY, AUGUST 10, 1950

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The committee met, pursuant to recess, at 1:30 p. m., in the caucus room, Senate Office Building, Senator Estes Kefauver (chairman), presiding.

Present: Senators Kefauver, Hunt, Wiley, and Kilgore.

Also present: Rudolph Halley, chief counsel; Harold G. Robinson, associate counsel, Alfred Klein, and Downey Rice, assistant counsels.

The CHAIRMAN. The committee will come to order.

Before resuming testimony of Mr. Johnston, Mr. Schine is here and has some additional testimony, or supplemental testimony, in addition to that which was given in Miami that we want to ask him to come around for at this time.

Mr. Schine, do you solemnly swear the testimony you give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SCHINE. I do.

**FURTHER TESTIMONY OF MEYER SCHINE, MIAMI BEACH, FLA.,
ACCOMPANIED BY OSCAR L. GRUBER, ATTORNEY, NEW YORK,
N. Y.**

The CHAIRMAN. All right, Mr. Halley.

Mr. HALLEY. Mr. Schine, you have communicated with the committee and indicated that you would like to make a further statement to clarify your previous testimony; is that correct?

Mr. SCHINE. I did.

Mr. HALLEY. Will you go ahead?

Mr. SCHINE. When certain information given to the committee in Miami needed clarification and certain additional information that wasn't given, I thought the committee might be interested, so we called Mr. Halley yesterday, or the day before, and asked him whether he would care to have me appear again before the committee to make corrections and additions, and he was kind enough to permit me to appear here, and here I am.

I am ready to be asked, or shall I go on?

Mr. HALLEY. Which ever you prefer, Mr. Schine.

Mr. SCHINE. No. 1, if it doesn't take up too much time, I appeared in Miami without a subpoena.

The CHAIRMAN. Yes, sir; you appeared voluntarily and you paid your own expenses to Miami, which the committee appreciates.

Mr. SCHINE. Thank you.

I might give a little history of our position in Miami. From the very start we acquired the Roney Plaza at the end of 1943, and during the period of the season of 1944 we had no bookmaking, although we had been approached by many different persons.

We did find, however——

The CHAIRMAN. Mr. Schine, excuse me a minute. I know this is all clear in the record from Miami, but will you bring us up to date and tell us when you acquired, and what the name of your company was?

Mr. SCHINE. The Roney Plaza Co.

The CHAIRMAN. Of which you are the principal owner?

Mr. SCHINE. Yes, sir.

Although we were approached by a number of people asking to give them concessions, we refused; but we found that we had no magazines, cigars, or cigarettes at the newsstand; so, the manager got in touch with someone who runs newsstands, and he came down and offered us a price for the newsstand.

At the time they mentioned something about bookmaking. I wouldn't consent to it, but I told them I would consider the matter. But, after they were there for a while, maybe a week—I don't know how long—we decided not to have them, and we gave them the money back.

Then they agreed to run the newsstand without rental.

Mr. HALLEY. The people you are referring to are Salvey and Levitt?

Mr. SCHINE. Yes. They didn't run the newstand themselves; they had a girl running it.

The following year we rented the newstand to a very reliable national cigar-stand outfit who operates cigar stands in various hotels; and they, of course, had nothing to do with bookmaking, and that pleased us very much, although the rental was very much lower.

During the year 1944-45 we were still approached by a great many people, and we refused to have any bookmaking there. At all times we were annoyed a great deal by what you might call sneak-in bookmakers. They would come in as guests of the hotel, or as guests of the guests, and we were greatly annoyed by it; so we engaged a number of detectives to watch them, but that didn't seem to help.

The next year, which was 1945-46, we were still annoyed greatly, but we increased our detective force and we would not permit bookmaking at the Roney Plaza.

We felt the Roney Plaza was too nice a hotel for that.

In 1946-47, I think it was, Erickson, who had talked to me about it, but I turned him down, a deal was made between the hotel and Erickson and Harold Furman.

Mr. HALLEY. Would you state how you happened to initiate such discussions with Erickson?

Mr. SCHINE. Well, prior to that time we had, as I said, a lot of trouble with sneak bookmakers, and we were thinking about letting it go because there seems to be a code amongst them that, if one is in there officially, then the others stay away. So a man came to see me, introduced himself as an officer of Miami Beach.

Mr. HALLEY. Who was this man?

Mr. SCHINE. His name was Pat Perdue.

Mr. HALLEY. You mean Pat Perdue?

Mr. SCHINE. Yes.

Mr. HALLEY. Was he known to you by reputation?

Mr. SCHINE. I knew him by reputation, but not by meeting him.

Mr. HALLEY. He was known as the one-man gambling squad of Miami Beach; was he not?

Mr. SCHINE. Yes.

He came to me and said, "I understand you are considering letting a concession out for the bookmaking?"

I said, "I wasn't sure that we would, but I am having so much trouble that it might be the best thing to do."

He said, "I would say that you shouldn't let it go to Erickson."

Mr. HALLEY. That you should not?

Mr. SCHINE. Let it go to Erickson.

I said, "Why not?"

He said, "We don't want any outsiders in here because Erickson might get more hotels and then they would start a battle and we would rather that you gave it to our local syndicate."

Mr. HALLEY. By the "local syndicate," you understood him to mean the S. & G. Syndicate?

Mr. SCHINE. Yes. That got me rather upset.

The CHAIRMAN. Did you have an extensive discussion about it, Mr. Schine, you and Officer Purdue?

Mr. SCHINE. No; he came to me in the Cabana Club and we talked maybe 5 or 10 minutes. We didn't have a long discussion.

The CHAIRMAN. Was he rather insistent that you give the concession to S. & G.?

Mr. SCHINE. I don't recall whether he mentioned the S. & G., but he gave me to understand that it would be best if we had the local outfit run it. I told some of our men there about it.

Mr. HALLEY. Before you leave the conversation, what did you tell Purdue?

Mr. SCHINE. I told him that I thought I would do as I saw fit. I didn't think it was his job to tell me what to do. If he told me not to have anyone, I would listen to him, but to tell me I should give it to somebody that he liked, and not give it to the one he didn't like, I didn't feel was right. So I just let it go.

Then I told it to some of our people there about the conversation and nothing was done about it.

Later on a man by the name of Harold Furman and Erickson came to see me, and they came in several times to see me. By the reports I had that we were just infested with all these sneak bookmakers, we decided to let Erickson and his associates have it.

Mr. HALLEY. And you negotiated a deal with Erickson; is that right?

Mr. SCHINE. Yes. They had it, and after a little while, I don't remember how long, maybe 2 or 3 weeks, they closed them up. Purdue raided the place.

Mr. HALLEY. Just what happened? Erickson came in and operated the Cabana?

Mr. SCHINE. He was never there himself.

Mr. HALLEY. These people?

Mr. SCHINE. Yes. But they were not supposed to go around soliciting business; they were supposed to stay right in the cabana and not have any charts or phones and just sit there. If anybody wanted to come and do business with them, they are to take it; and if not, they don't have it.

Mr. HALLEY. They were operating just 2 of 3 weeks when they were raided?

Mr. SCHINE. Yes.

Mr. HALLEY. Who raided them?

Mr. SCHINE. I think it was Purdue and the chief of police, a man by the name of Short.

Mr. HALLEY. This same Pat Purdue was in on the raid?

Mr. SCHINE. Yes.

Mr. HALLEY. Were they simply fined and allowed to proceed, or were they closed up?

Mr. SCHINE. They were closed up, and then later they had some understanding. I didn't know; I had left town at that time. I don't think they operated after that.

Mr. HALLEY. When they were raided, was the raid given unusual publicity?

Mr. SCHINE. It was on the front page, right across the page. It was on the front page right across the seven columns.

Mr. HALLEY. I believe it was your observation that when other bookmakers were raided in other hotels there was no undue publicity?

Mr. SCHINE. Yes; I observed that when other hotels were raided—and it upsets me—small items appeared in the papers. It would be maybe one column, 2 or 3 inches.

When the Roney Plaza was raided, it went across the front page.

Mr. HALLEY. Purdue, in effect, put them out of business?

Mr. SCHINE. Yes.

Mr. HALLEY. The following year, did you rent the concession to some other bookmaker?

Mr. SCHINE. We didn't rent to Erickson any more, but we rented to somebody who was supposed to be associated with the S. & G., and that fellow—

The CHAIRMAN. Who was that?

Mr. SCHINE. His name was Heller.

Mr. HALLEY. May I hear you state for the record that the books and accounts of the S. & G. show an operation during the years 1948 and 1949 at the Roney Plaza Hotel?

Mr. SCHINE. Yes.

Mr. HALLEY. Closing, I think, in April of 1949. Is that when the Plaza closed for the summer?

Mr. SCHINE. I think so.

Mr. HALLEY. There are no other questions.

The CHAIRMAN. This short time when Erickson operated was 1946-47?

Mr. SCHINE. I think it was 1947-48.

The CHAIRMAN. Yes, 1947 and 1948.

Mr. SCHINE. Yes.

The CHAIRMAN. He was to pay you, I believe, \$50,000?

Mr. SCHINE. No; he actually paid \$45,000.

The CHAIRMAN. Now, the previous season you had had some preliminary negotiations with S. & G.?

Mr. SCHINE. No; we didn't.

The CHAIRMAN. Three years previous you had had some negotiations?

Mr. SCHINE. No; that was the newsstand I mentioned at the outset.

The CHAIRMAN. Yes.

Mr. SCHINE. But I had no idea they were from S. & G., because I was new at that time in the business, and I had no knowledge of syndicates or anything else.

They merely were supposed to run a newsstand, and when I found out later that they intended to make book, I gave them the money back, canceled the lease, but then they agreed to run the newsstand only if we don't charge them rent, which we agreed to, and they had a girl running the newsstand, but no representatives of the S. & G. were there.

The CHAIRMAN. That was the \$7,500 transaction, I believe?

Mr. SCHINE. Yes.

Mr. GRUBER. And they stayed there only that 1 year.

The CHAIRMAN. They stayed there only 1 year.

Mr. SCHINE. During the 3 years when we didn't have the so-called bookmaking, we were offered all sorts of prices, but we turned everybody down.

The CHAIRMAN. Mr. Schine, there is a discrepancy in your testimony and that of John O'Rourke at West Palm Beach as to who did the negotiations for Boca Raton. He is saying that he dealt directly with you, and I think you said the arrangements were made through a manager.

Do you want to clarify that, or make any additional statement?

Mr. SCHINE. I checked on that yesterday. I called the man who was the manager at that time.

The CHAIRMAN. What was his name?

Mr. SCHINE. Henry Williams. He said that the negotiations with O'Rourke were made with him the first year, and he hadn't seen Erickson there, and I hadn't seen Erickson there either.

As a matter of fact, Erickson never appeared personally anywheres, not even in the Roney Plaza; but the first year it was operated by O'Rourke himself. I believe.

Mr. HALLEY. What would you say about the second year?

Mr. SCHINE. The second year I think Erickson was in with him.

The CHAIRMAN. Did you discuss the matter with Erickson to get him in, or with O'Rourke, to cause him to come into the partnership?

Mr. SCHINE. I do not recall just how it happened, but I found that they were both in it.

The CHAIRMAN. The second year, anyway?

Mr. SCHINE. The second year.

Mr. HALLEY. Just to clarify, you have corrected your testimony in that in the negotiations for the Roney Plaza you did personally deal with Erickson and make the arrangements?

Mr. SCHINE. I dealt with Erickson and his associate.

Mr. HALLEY. Thank you.

The CHAIRMAN. Any questions, Senator Hunt?

Senator HUNT. No, thank you.

The CHAIRMAN. Anything else, Mr. Halley?

Mr. HALLEY. No.

The CHAIRMAN. Thank you very much, Mr. Schine.

(Witness excused.)

The CHAIRMAN. All right, Mr. Johnston, will you come around?

You were sworn yesterday?

Mr. JOHNSTON. Yes.

FURTHER TESTIMONY OF WILLIAM H. JOHNSTON, JACKSONVILLE, FLA., ACCOMPANIED BY JOHN W. PEHLE AND LAWRENCE S. LESSER, ATTORNEYS, WASHINGTON, D. C.

The CHAIRMAN. We will continue on.

Mr. JOHNSTON. I don't know whether it makes a lot of difference, but there are a couple of slight errors in this record.

The CHAIRMAN. In the copy of the record of yesterday?

Mr. JOHNSTON. Yes.

The CHAIRMAN. We will be glad to have you clarify any error you find.

Mr. JOHNSTON. On page 22 and page 849. I don't know which number you go by.

Mr. HALLEY. The right-hand corner, the top right-hand corner.

Mr. JOHNSTON. 849. It says in there on line 7:

He told me that if Mr. Schanz won the second primary, he would help me raise the money.

I don't believe I said that, but I said that if Mr. Schanz was not in the second primary and had not won.

The CHAIRMAN. That correction will be noted.

Do you have that, Mr. Rice?

Mr. RICE. Yes.

The CHAIRMAN. What is the other correction?

Mr. JOHNSTON. I spoke of the other one, I don't know whether it makes any difference. When you and I were discussing relative to getting back to Chicago, I said I had been invited to a dinner in the record. It was really that I was giving a dinner.

One of the boys remarked that if I didn't get back there to grab the check, they would think that I was being invited. That is the only thing.

The CHAIRMAN. So you were giving the dinner and not invited to the dinner?

Mr. JOHNSTON. That is correct.

The CHAIRMAN. All right, sir. How many were you having for that dinner?

Mr. JOHNSTON. About 60.

The CHAIRMAN. Who are they?

Mr. JOHNSTON. Friends of mine. Every year the all-star football game, most of the newspaper sportswriters of that area there go to the game and we have dinner at the Blackstone with my friends before we go to the game.

The CHAIRMAN. That is an annual event?

Mr. JOHNSTON. An annual event.

Mr. HALLEY. Is Harry Russell going to be at the dinner.

Mr. JOHNSTON. No, sir.

The CHAIRMAN. How about Mr. John Patton?

Mr. JOHNSTON. John Patton, I don't know; I hadn't invited him.

The CHAIRMAN. You hadn't invited him?

Mr. JOHNSTON. No. They haven't been to any of my dinners.

Mr. HALLEY. You have known John Patton?

Mr. JOHNSTON. For many years.

Mr. HALLEY. When did you first meet John Patton?

Mr. JOHNSTON. I met John Patton in 19—I would say, around 1932. I don't remember. It was the first year that Sportsman's Park opened.

Mr. HALLEY. What was your association with Sportsman's Park at that time?

Mr. JOHNSTON. I started Sportsman's Park when they first opened as auditor there in the racing department.

Mr. HALLEY. That was in 1932?

Mr. JOHNSTON. I believe that is the year, and possibly it was 1931 or 1932.

Mr. HALLEY. What had been your occupation previously?

Mr. JOHNSTON. I was in the real-estate business.

Mr. HALLEY. For how many years?

Mr. JOHNSTON. About 5 or 6 years.

Mr. HALLEY. What other occupations had you been in previous to going into Sportsman's Park?

Mr. JOHNSTON. That was the only occupation that I had been in, the real-estate business, up to that time.

Then I went to Sportsman's Park. How I got connected with Sportsman's Park was in this manner.

Mr. HALLEY. For instance, I would like to be sure. Is the real-estate business the only other business that you have been in?

Mr. JOHNSTON. The only other business I have ever been in.

Mr. HALLEY. When did you first enter the real-estate business?

Mr. JOHNSTON. In 1921.

Mr. HALLEY. Were you in business for your own account, or working for somebody?

Mr. JOHNSTON. In my own account.

Mr. HALLEY. From 1921 until when?

Mr. JOHNSTON. Until about 1930.

Mr. HALLEY. Under what names did you operate?

Mr. JOHNSTON. Under the East Side Realty Co.

Mr. HALLEY. East Side Realty Co.?

Mr. JOHNSTON. Yes.

Mr. HALLEY. In Chicago?

Mr. JOHNSTON. In Chicago.

Mr. HALLEY. Is that real-estate company still in existence?

Mr. JOHNSTON. No, sir.

Mr. HALLEY. When did that go out of business?

Mr. JOHNSTON. That went out of business in 1930 or 1931.

Mr. HALLEY. Now, from there, did you go to Sportsman's Park?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. You had no business in between?

Mr. JOHNSTON. No business in between whatsoever.

Mr. HALLEY. How did you happen to go to Sportsman's Park?

Mr. JOHNSTON. A sportswriter by the name of Walter Pierce. I would like to give the story in detail.

The CHAIRMAN. Go ahead.

Mr. JOHNSTON. A sportswriter by the name of Walter Pierce came to me and he knew that I had handled some property for the Shed people. He asked me if I knew Mr. Shed, and I said "Yes." They wanted to obtain an option on a lease on the old Robey Race Track. The Robey Race Track is situated on the border of Illinois and Indiana. I was successful.

Walter Pierce took me to a banker by the name of Staver, who was at 55 Michigan Avenue in Chicago at that time. The bank has since that time closed. Mr. Staver negotiated with me and told me that he wanted to get this option on the lease. I was successful in getting it.

I met Eddie O'Hare in the negotiations for this lease. At that time he was building in the Sportsman's Park race track. Walter Pierce, who was a sportswriter, was going to be publicity man for the National Jockey Club for Sportsman's Park.

Mr. HALLEY. Do you know whether Walter Pierce is related to Ralph Pierce?

Mr. JOHNSTON. No relation whatsoever.

Mr. HALLEY. You do know Ralph Pierce?

Mr. JOHNSTON. I do not know him except by reputation. I never saw him. Walter Pierce is the grandson of J. Alderman Pierce, who was formerly counsel of the Courier Journal in Louisville.

At that time, this was during the depression, there was nothing being done in real estate. Opening this new race track I thought would be an opportunity for me to get into a new business. I secured the position as auditor handling all the accounts for all the horsemen. I did a pretty good job of that and the first thing I knew I was handling the staff in the front office.

I think it was about a year after that I met Mr. Patton at the track.

Mr. HALLEY. You are referring to John Patton?

Mr. JOHNSTON. John Patton.

Mr. HALLEY. Was Patton also connected with the track?

Mr. JOHNSTON. Mr. Patton was secretary and treasurer of the track. Mr. O'Hare was president.

Mr. HALLEY. Who were the people who were the principal stockholders and persons having an interest in the track at that time?

Mr. JOHNSTON. At that time I did not know, but since that time I have checked the records and being president of it right now, I have checked the records and at that time the principal stockholders were Edward J. O'Hare and John Patton. There were numerous others that held small amounts. The biggest stockholder was O'Hare.

Mr. HALLEY. O'Hare and Patton were both reputed to be Capone gang members?

Mr. JOHNSTON. I wouldn't say that. Mr. O'Hare I knew from 1931 until the time that he was killed. I have never seen Mr. O'Hare with anybody other than the best people. In Miami his friends were the best people in Miami, and the same in Chicago.

I don't believe that if Mr. O'Hare had died a natural death he would be put there.

Mr. HALLEY. Did you ever hear of a Laramie Kennel Club?

Mr. JOHNSTON. No, sir; the Laramie Kennel Club was out of existence long before.

I understand there was one at one time.

Mr. HALLEY. Is it not a fact that Patton, O'Hare, and Jake Guzik were together at one time in the Laramie Kennel Club?

Mr. JOHNSTON. I don't know.

Mr. HALLEY. Have you ever heard of the Hawthorne Kennel Club?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. Was that not known as the Capone Dog Track?

Mr. JOHNSTON. The Hawthorne Kennel Club was Sportsman's Park originally, and it was rebuilt over. The Hawthorne Kennel Club's books don't show that Mr. Guzik or anybody in the Capone family owned any stock.

Mr. HALLEY. Of course, those fellows do not show up in the books, do they?

Mr. JOHNSTON. Who was holding it?

Mr. HALLEY. Is that not the reason why they have such a difficult time proving relationship between these gangsters and these other people?

Mr. JOHNSTON. All I can go by is the records. Let us take a look at the records. Who can have been holding the stock in these places?

Mr. HALLEY. Which of the fine friends of Eddie O'Hare chased him with a sawed-off shotgun and blew his brains out?

Mr. JOHNSTON. I wouldn't know, but as I say, I don't know why Eddie O'Hare was killed and I don't know why it was done. I think in Irey's book it was stated that Mr. O'Hare was an undercover man for the Government.

Mr. HALLEY. Well, he might have at one time been doing some work to help the Government; that may or may not be so. On that we will just have to wonder, but let us look at the record.

Did not Mr. O'Hare, in the period just before his assassination, live in fear for his life?

Mr. JOHNSTON. He never acted that way when I was around.

Mr. HALLEY. Did you not tell the Chicago newspapers that he cleaned a gun, loaded it, put it in his pocket before he walked out of Sportsman's Park to go to his death?

Mr. JOHNSTON. I did not.

Mr. HALLEY. It was so reported, was it not?

Mr. JOHNSTON. There was a report something like that. They had asked me if there were ever any guns around Sportsman's Park, and I said there was one in the office there in the desk drawer. Had I ever seen Mr. O'Hare with it? And I said I saw him cleaning it one day. In fact, the day Mr. O'Hare was killed I left to come here to Washington and I was supposed to meet him in Miami.

Mr. HALLEY. There would be some reason to believe that he had some associations with some people other than the very fine people you have been referring to?

Mr. JOHNSTON. Well, I don't know what reasons you would give, Mr. Halley. Why would he be connected with them if he wasn't interested in the track?

Mr. HALLEY. First, he was connected with John Patton?

Mr. JOHNSTON. We were on Mr. O'Hare, and then we will get to Mr. Patton.

Mr. HALLEY. We are talking about O'Hare because Patton was his associate and that is the only way we can get to the connection.

Let us look at John Patton. Was he not a member of the Capone gang?

Mr. JOHNSTON. Not to my knowledge.

Mr. HALLEY. Was he not arrested in Capone headquarters in 1925?

Mr. JOHNSTON. I don't know. I haven't known him since 1925. I have known John Patton since 1931 or 1932 until the present time, and Mr. Patton has been either at the race tracks or on his farm. I have never seen him with anybody or connected with anybody.

Now, let me tell you, Mr. Halley, it may be true; I don't know, that he did something in 1925 or 1926. That is 25 years ago. But I know as far as the present time and as far as I have known him he has had no connection along those lines.

Mr. HALLEY. Well, do you know Joe Polizzi?

Mr. JOHNSTON. I have never seen him.

Mr. HALLEY. Have you ever heard of him?

Mr. JOHNSTON. I have heard of him, but never met him.

Mr. HALLEY. He was a Capone gangster, was he not?

Mr. JOHNSTON. I don't know.

Mr. HALLEY. Did you know Frank Nitti?

Mr. JOHNSTON. Yes; I have met Frank Nitti.

Mr. HALLEY. Was he not a Capone gangster?

Mr. JOHNSTON. The newspapers said he was. I believe that he was. I don't say that he wasn't. But, Mr. Halley, I want to bring out one thing; that I am in the racing business. I have been on the race track practically every day since 1931 until today.

You gentlemen in public life know that I possibly have met a hundred thousand people in that time. I meet hundreds every day because it is my motto. Because I met someone, he is not an associate of mine.

Mr. HALLEY. We are talking particularly about John Patton and Ed O'Hare, with whom you were intimately associated at Sportsman's Park.

Mr. JOHNSTON. That is right.

Mr. HALLEY. In fact, you succeeded Ed O'Hare as president of Sportsman's Park?

Mr. JOHNSTON. No.

Mr. HALLEY. You eventually succeeded him?

Mr. JOHNSTON. Yes.

Mr. HALLEY. Do you know Robert Larry McCullough?

Mr. JOHNSTON. No. Rabbit Larry McCullough?

Mr. HALLEY. Robert.

Mr. JOHNSTON. Yes. I know Robert McCullough.

Mr. HALLEY. He works for you, does he not?

Mr. JOHNSTON. He works for the Miami Kennel Club.

Mr. HALLEY. He is the chief of police there?

Mr. JOHNSTON. He is a detective there.

Mr. HALLEY. Is he not a former Capone gangster?

Mr. JOHNSTON. He was in there when I took over the Miami Beach Kennel Club.

Mr. HALLEY. With the statement you have been making about the importance of having fine associates who were above reproach and the importance of keeping a race track clean, it would seem to me that you would have been aware, as has been advertised in the press, that on

April 27, 1925, John Patton, Robert McCullough, Joe Polizzi, Frank Nitti, and some other Capone gangsters were all arrested in a raid on the Capone headquarters which would seem to put them all together at least on that day.

Mr. JOHNSTON. I don't know about that, Mr. Halley, but Robert Larry McCullough—

The CHAIRMAN. Did you see that in the papers? It was widely advertised.

Mr. JOHNSTON. I saw it in the Miami papers since the scandal came out.

The CHAIRMAN. You were living in Chicago since 1925, and you knew that that raid and arrest took place?

Mr. JOHNSTON. No, sir; I never knew of any such raid or arrest until these things came out in the paper, Senator.

Mr. HALLEY. Did you not ever talk to John Patton in your long years of association about his background and past?

Mr. JOHNSTON. I have.

Mr. HALLEY. Did you not talk to him about his background during the years at Sportsman's Park?

Mr. JOHNSTON. Mr. Patton told me that he had never been arrested; that he was the mayor of a town called Burnham?

Mr. HALLEY. He was known as the boy mayor of Burnham?

Mr. JOHNSTON. He was known as the boy mayor of Burnham. He said that he was known as a liberal.

Mr. HALLEY. What do you mean by that?

Mr. JOHNSTON. He was known to be liberal.

Mr. HALLEY. It is pretty common knowledge that Burnham was a suburb of Chicago and was the center of the Capone syndicate of vice and booze?

Mr. JOHNSTON. That was 1925.

Mr. HALLEY. You had no doubt about that; you must have known about Burnham as an active citizen of Chicago?

Mr. JOHNSTON. I knew that Burnham was there, but I didn't know John Patton was there. I never around gambling places, Mr. Halley, in 1925-26.

Mr. HALLEY. You are a man who makes a lot of friends, gives dinners for 70 people, and seems to have a pretty good idea of who is who?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. You were in the real estate business from 1920, was it, to 1930?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. Then you had sufficiently good connections to tie up with Sportsman's Park as auditor; is that right?

Mr. JOHNSTON. That is right.

Mr. HALLEY. There you found John Patton and Eddie O'Hare; is that right?

Mr. JOHNSTON. Yes.

Mr. HALLEY. Do you mean to say that when you got there you did not notice that John Patton had been the boy mayor of Burnham?

Mr. JOHNSTON. Mr. Halley, from 1932 until after the time that Mr. O'Hare was killed, there was never anything in the papers about those people.

Mr. HALLEY. You shared offices with these people, ran a business with them; you must have had social contacts and daily conversation.

Do you mean to say that you never heard that Patton was the boy mayor of this vice and gambling headquarters for the Capone crowd in Burnham?

Mr. JOHNSTON. I knew he was mayor of Burnham.

Mr. BAILEY. You knew the reputation of Burnham?

Mr. JOHNSTON. At that time Burnham had been closed up long before that time.

Mr. HALLEY. But you knew he had been in there, and he was the fellow who had to be closed?

Mr. JOHNSTON. I knew he had been mayor of Burnham; yes; I did.

Mr. HALLEY. And that if it was closed he was the fellow against whom the closing took place?

Mr. JOHNSTON. That may be, but the only thing I knew about Mr. Patton was that from the time I met him, and from that time on I have always found him to be a gentleman. I have never seen him around with anybody.

Let us get to Mr. O'Hare.

Mr. HALLEY. Let us hear about him.

Mr. JOHNSTON. From 1930, from that time on, the only people I ever saw—I was more friendly with Mr. O'Hare than I was with Mr. Patton all during that time. The only people I met him with were the best people.

Mr. HALLEY. Who were his best friends?

Mr. JOHNSTON. His best friends, for example, Daniel Mahoney, Miami, the publisher of the daily paper.

Mr. HALLEY. Who else?

Mr. JOHNSTON. He belonged to the Illinois Athletic Club, and his friends were doctors there.

Mr. HALLEY. Let us have the names of some of his friends.

Mr. JOHNSTON. You want all these people's names dragged through this, I don't think it necessary.

Mr. HALLEY. Did you know that he was a friend of Jake Guzik?

Mr. JOHNSTON. Never.

Mr. HALLEY. Have you met Jake Guzik?

Mr. JOHNSTON. I have seen him.

Mr. HALLEY. Did you talk with him?

Mr. JOHNSTON. What is that?

Mr. HALLEY. Did you talk to him?

Mr. JOHNSTON. Yes; I met him.

Mr. HALLEY. Have you met any of the Fischetti's?

Mr. JOHNSTON. I believe I met one one time, on a track, a young one.

Mr. HALLEY. Rocco?

Mr. JOHNSTON. No. It was a young fellow.

The CHAIRMAN. Charles, Joe, Rocco?

Mr. JOHNSTON. Joe, I believe. I think I met one of them one time on the track.

Mr. HALLEY. You talked to him, too?

Mr. JOHNSTON. I was introduced to him once on the track.

Mr. HALLEY. Have you ever met Tony Accardo?

Mr. JOHNSTON. No.

Mr. HALLEY. You never met him at all?

Mr. JOHNSTON. I never met Tony Accardo.

Mr. HALLEY. Were you ever on his boat?

Mr. JOHNSTON. I never knew he had a boat.

Mr. HALLEY. Were you ever on a boat that Harry Russell and the S. & G. bought from Accardo?

Mr. JOHNSTON. No.

Mr. HALLEY. Let us get back to O'Hare. Did you ever see him with any of these people?

Mr. JOHNSTON. Never.

Mr. HALLEY. You never saw him with Guzik?

Mr. JOHNSTON. Never.

Mr. HALLEY. Or the Fischetti's?

Mr. JOHNSTON. Never in my life.

Mr. HALLEY. Or with Accardo?

Mr. JOHNSTON. Never.

Mr. HALLEY. Rocco Fischetti?

Mr. JOHNSTON. No, never.

Mr. HALLEY. Joe Fischetti?

Mr. JOHNSTON. Never.

Mr. HALLEY. Charles Fischetti?

Mr. JOHNSTON. Never.

Mr. HALLEY. Have you ever met Ralph Capone?

Mr. JOHNSTON. Never.

Mr. HALLEY. Have you ever been introduced to him?

Mr. JOHNSTON. Never.

Al Capone was in jail before I met these gentlemen.

Mr. HALLEY. You mean Al?

Mr. JOHNSTON. Al.

Mr. HALLEY. With reference to O'Hare, would you say that you consider him to be a perfect gentleman?

Mr. JOHNSTON. Any time I have seen him I considered that; yes.

Mr. HALLEY. Did you ever wonder why he kept a pistol in his desk and kept it in operating condition?

Mr. JOHNSTON. I don't know that he kept it in operating condition. I never thought any more about it. There was a lot of money around that race track and it was nothing unusual to have a gun around.

Mr. HALLEY. You had guards?

Mr. JOHNSTON. Yes; we had guards there.

Mr. HALLEY. What do you think about a close business associate whom you see sitting at his desk and cleaning his pistol? Does that give you any qualms about whether he is the perfect gentleman he appears on the face?

Mr. JOHNSTON. No; I didn't think anything of it at the time.

Mr. HALLEY. Did you begin to think anything of it when he was killed by a shotgun blast?

Mr. JOHNSTON. It worried me.

Mr. HALLEY. Did you make any investigation to find out why he was killed?

Mr. JOHNSTON. Yes.

Mr. HALLEY. What did you do?

Mr. JOHNSTON. I tried to find out; I went to the State's attorney.

Mr. HALLEY. What did you learn?

Mr. JOHNSTON. Nothing. I hit a blank wall.

Mr. HALLEY. Now, you went in there as auditor for this Sportsman's Park track, and you were associated there with Patton and O'Hare?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. You at least knew that Patton had been mayor of Burnham?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. You knew the reputation of Burnham?

Mr. JOHNSTON. I knew the reputation of Burnham?

Mr. HALLEY. The city of Burnham?

Mr. JOHNSTON. The reputation of the city of Burnham at the time I was there was as good as any city in the country.

Mr. HALLEY. That was after it was closed?

Mr. JOHNSTON. I never knew Burnham was open. I never knew that Patton was mayor of Burnham until the newspapers said he was.

Mr. HALLEY. You testified that he was mayor for 40 years?

Mr. JOHNSTON. That is right.

Mr. HALLEY. So he must have been mayor at the time it was open?

Mr. JOHNSTON. That is right.

The CHAIRMAN. You knew that, did you not, Mr. Johnston? You knew that he had been mayor of this place at the time that you joined up with him in Sportsman's Park?

Mr. JOHNSTON. I didn't even give it a thought.

The CHAIRMAN. But you knew that to be a fact? Here was the boy mayor of Burnham, where they operated, a town which was open, and then they closed up and then a few years afterwards you went into business with him in Sportsman's Park and you knew he was the same fellow, did you not?

Mr. JOHNSTON. In 1931 I was not going into business; I went to work there. In 1931 when I went to work at Sportsman's Park, there was, starting at that same time, there were ever so many men who are big men in this country today who were starting there. There was Bob Shelley, whose father ran Churchill Downs and became one of the greatest racing secretaries. One of the chief starters of the New York tracks worked there. Fred Bixby, head of the Sugar Bowl worked there. Are they all hoodlums because they worked there at that time?

Mr. HALLEY. Do you not know that it was reported in the newspapers at the time you went to work for Sportsman's Park that O'Hare was running not only Sportsman's Park, but the Hawthorne Kennel Club for Guzik, Nitti, and Al Capone?

Mr. JOHNSTON. No, sir.

Mr. HALLEY. Did not the newspaper actually state that Al Capone had so told the police?

Mr. JOHNSTON. Not that I know of. I never seen it.

Mr. HALLEY. Was that not public knowledge throughout Chicago?

Mr. JOHNSTON. It wasn't. That was not public knowledge.

Mr. HALLEY. That the Hawthorne Kennel Club was actually a Capone operation?

Mr. JOHNSTON. That was not common knowledge throughout Chicago. None of this stuff was common knowledge, or ever came into the newspapers until 1939 when Mr. O'Hare was killed.

Mr. HALLEY. I can show you quotes going back to 1930 in the newspapers.

Mr. JOHNSTON. I wish you would show them.

Mr. HALLEY. I can refer you to the Chicago Daily News, April 30, 1930, with a specific quote on that situation.

Mr. JOHNSTON. I didn't see it. I suggest that you check the newspapers. Also, Mr. Halley, I want to check a point on this. I don't take, from the way that the newspapers in Miami have kicked my name around in this last 3 or 4 weeks, I don't know that I take that as being a fact, what they say.

Mr. HALLEY. Would you take it to be a fact if they reported that Patton and Nitti and this Guzik and McCullough were all arrested in the Capone headquarters in 1925? Would you take that to be a fact?

Mr. JOHNSTON. If they proved it to me.

Mr. HALLEY. But you do not need proof as to the fine associates that these people have?

Mr. JOHNSTON. I saw them myself.

Mr. HALLEY. But you have not named them. You named one, Mr. Mahoney. Who were some of the fine associates of Eddie O'Hare?

Mr. JOHNSTON. Well, some of them were prominent people in the country.

Mr. HALLEY. Who, for instance, was an associate of Eddie O'Hare?

Mr. JOHNSTON. Mr. Halley, why do you want to drag all this thing through here?

Mr. HALLEY. Well, we have here credible reports, common knowledge, that Eddie O'Hare's associates were Capone, Guzik, and Nitti, and we have common knowledge as to Patton's work in Burnham and the fact that Burnham was the headquarters for Capone and wide open. That much we do have.

You said these people with whom he associated were very fine, wonderful people, and I would like to know who they were and particularly who Eddie O'Hare associated with.

It may throw some light on who murdered him.

Mr. JOHNSTON. If the chairman directs me to give these names, I will give them.

The CHAIRMAN. Well, Mr. Johnston, you have given one name; so, if you have given one name, you might as well give some more.

Mr. JOHNSTON. Well, there was a good friend of his, Mr. Gore, publisher of a newspaper in Fort Lauderdale. He was a friend of Mr. Farley's and a friend of Mr. Joe Martin. He was a friend of doctors, lawyers, Dr. Nelson, Dr. Schmidt, one of the finest physicians in Chicago, and they were close personal friends.

I could go on. I would have to think of the different people I met with him. I was introduced to Mr. Mahoney by Mr. O'Hare and he entertained me on his yacht.

The CHAIRMAN. I think this should be said for the record so the public will not get a misapprehension. You have mentioned a lot of names, some I know and some I do not. We are not saying whether Mr. O'Hare is a good man or a bad man, but a lot of bad men who operate in higher places it later turns out that they might not have been so good. It later turns out that they had many respectable friends. We all know that is true.

Even the known hoodlums, sometimes you find in prior years that they have associations all the way up and down the scale, do you not?

Mr. JOHNSTON. Mr. Senator, the only point I am bringing out here is that if what you say is true, if Mr. O'Hare wasn't, there were a lot of bigger people than I that were fooled by Mr. O'Hare, and why should I be condemned?

The CHAIRMAN. The only difference is that you were out there working with him and you came along up the ladder as business associates and personal friends. In addition to being personal friends, you were one of the three who had the principal part in the operation of this business; is that not correct?

Mr. JOHNSTON. I had no interest in the business. I was working there.

The CHAIRMAN. You did acquire an interest?

Mr. JOHNSTON. That was after Mr. O'Hare died.

One more thing I wanted to bring out while we are on O'Hare. It has been said that O'Hare was a front for the Chicago mob at this track, and so on, and so forth. The records will show that the entire holdings of Mr. O'Hare went into the Northern Trust Co. in Chicago, into a trust that he had created before he died, and that the trust, all of the stocks and everything, were brought out of there and were sold by the Northern Trust Co. of Chicago.

I think at that time if he had been a partner of anybody, it would have been divulged, would it not?

Mr. HALLEY. I very much doubt it.

Mr. JOHNSTON. I don't know; I am just bringing these points out.

Mr. HALLEY. Let us get ahead with the rest of the people who were associated with you. McCullough, then, is still a detective both in your Miami Kennel Club and also up at Sportsman's Park?

Mr. JOHNSTON. No, he doesn't work in Chicago in the summertime. He works in Miami, and I believe he lives there.

Mr. HALLEY. Did he not work in Sportsman's Park for you for a while?

Mr. JOHNSTON. He did.

Mr. HALLEY. Has he not been known as a strong-armed man for the Capone gang for a long time? Is that not his reputation?

Mr. JOHNSTON. It may be, but not to my knowledge.

Mr. HALLEY. What makes you say it may be?

Mr. JOHNSTON. I don't know.

Mr. HALLEY. You mean it is possible that all these people were hoodwinking you?

Mr. JOHNSTON. It could have been.

There is one thing: Mr. McCullough was working at the Miami Beach Club when I took over the Miami Beach Kennel Club. His job was to keep bookmakers and to keep pickpockets off that race track.

In 1944, at the end of the last administration, Mr. Henry Bainger, who was secretary of the Florida State Racing Commission, wrote me a letter commending me on the cooperation which I gave him and the fine operation of the track.

In 1948, the end of the last administration, Mr. Watson, who was secretary of the commission, did the same thing.

Now, let me ask you this, Mr. Halley: If you go into an institution and a man is working there and that man is doing a good job, he is

doing a good job, let us say that he has a past and he has reformed and is doing a good job and is living a clean life and no crime. Do you think I should fire him? I ask that question.

Mr. HALLEY. I will just ask, then, if you do not mind. It was a rhetorical question, I believe.

Mr. JOHNSTON. Here is a man who you claim in 1926 had done something wrong. If a man had been sent to prison in 1926 and came back and reformed and became a good citizen and was working well, and you went into an institution that he was working in, he was living a clean life, doing a good job, being commended, would you fire him?

Mr. HALLEY. Since you persist in making a speech, it is perfectly obvious that the whole Capone group, or this part of it, was in Sportsman's Park, in the various kennel clubs in Florida, and that when you took it over you took it over with the knowledge that O'Hare was there, including Patton and McCullough. How about Shumway? Was he there when you took it over?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. What about Shumway?

Mr. JOHNSTON. What did Shumway ever do? Was he arrested?

Mr. HALLEY. Was he not a witness in the Government's tax case against Capone and did he not say he was a Capone employee?

Mr. JOHNSTON. It might be.

Mr. HALLEY. What do you mean by it might be?

Mr. JOHNSTON. I say it might be, only because you say so. I don't know.

Let's say that he was.

The CHAIRMAN. Well, Mr. Johnston, did you see that? Did you know that?

Mr. JOHNSTON. No. All this stuff here has come out since this came up.

Mr. HALLEY. You mean you were just a babe in the woods all this time?

Mr. JOHNSTON. I wasn't a babe in the woods. It was a case of a man working there and doing a good job. He not only worked for me, he works for Arlington Park and Washington Park. He works for every track in the country. Were they all Capone owned?

Mr. HALLEY. He is the mutual manager at Miami?

Mr. JOHNSTON. That is correct. He don't only work for me, that is his occupation. He goes from race track to race track, and he is a good man.

Mr. HALLEY. How about Edward Crumley? Do you know him?

Mr. JOHNSTON. Edward Crumley; yes, sir.

Mr. HALLEY. What is his position?

Mr. JOHNSTON. He works at the National Jockey Club as track superintendent.

Mr. HALLEY. Sportsman's Park?

Mr. JOHNSTON. At Sportsman's Park.

Mr. HALLEY. Is he not also at the Miami Beach Kennel Club?

Mr. JOHNSTON. No.

Mr. HALLEY. Was he ever connected with it?

Mr. JOHNSTON. No.

Mr. HALLEY. He works for you just at Sportsman's Park?

Mr. JOHNSTON. He is the track superintendent; yes.

Mr. HALLEY. How about David Kine?

Mr. JOHNSTON. David Kine works in Miami Beach in the winter-time.

Mr. HALLEY. Was he not arrested in Chicago and indicted with Shumway and Eddie O'Hare?

Mr. JOHNSTON. I talked to Davie Kine when that came into the paper.

Mr. HALLEY. When did that come into the paper?

Mr. JOHNSTON. When this stuff started out here in Miami.

Mr. HALLEY. You mean these fellows were indicted in Chicago in 1929 and you did not know about it?

Mr. JOHNSTON. Mr. Kine wants to come before you and he will say that he never was indicted. Davie Kine is a mutual clerk. He is an odds man; he works on every race track around there. He works in Washington Park, and different places. You were insinuating that we kept a Capone man on.

As I understand the charge that you are making against Mr. Shumway is that he testified against Mr. Capone. If I had any strings on Capone, or he had on me, is it likely that Shumway would be working in that track?

Mr. HALLEY. We have to find out where he was previously employed.

Mr. JOHNSTON. I don't know where you go, but you may take the employees of any race track in the country and you will find that they have skeletons in their closets 25 years ago.

But, if that man is leading a clean life and doing a good job, isn't it a part of the American system that we shouldn't fire him so as to put him back into crime again?

I am not defending these things, but I don't think—you are taking minor employees in these race tracks and trying to crucify me because I don't go in and fire those men. I don't think that is a fair way of looking at this.

Mr. HALLEY. Do you know Hugo Bennett?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. Who was he?

Mr. JOHNSTON. He is the auditor.

Mr. HALLEY. Where?

Mr. JOHNSTON. He is the auditor of the National Jockey Club and the Miami Beach Kennel Club.

Mr. HALLEY. Was not Bennett also the personal accountant of John Patton?

Mr. JOHNSTON. No, I don't think he was. Bennett started at Sportsman's Park at the same time as I did. He started there and we worked up together. I believe that he may have made a return form out at one time or another, but he was never his auditor because he started the same time I did.

Mr. HALLEY. Was not Bennett also a close associate operating with the Capone crowd?

Mr. JOHNSTON. Never. Bennett started work there when I did and Bennett has no more stain on him than I have.

Mr. HALLEY. Did he not ever work for Patton?

Mr. JOHNSTON. Never.

Mr. HALLEY. Down in Burnham?

Mr. JOHNSTON. Never.

Mr. HALLEY. You said he made out a tax return?

Mr. JOHNSTON. While he was in Sportsman's Park he may have done something for him. If you are working in a place such as he was and Patton was the boss and came in and asked him to do a job, he may have done something for him; I don't know. But he was never an employee of his. He was an employee of the Jockey Club.

Mr. HALLEY. Starting when?

Mr. JOHNSTON. He started about 2 or 3 weeks after, or before I did. We both started when the race track was first built there.

Mr. HALLEY. Who took him on? At that time who was running the Sportsman's Park?

Mr. JOHNSTON. Eddie O'Hare.

Mr. HALLEY. Did he take on Bennett?

Mr. JOHNSTON. I imagine so.

Mr. HALLEY. At that time did he hire McCullough?

Mr. JOHNSTON. I don't know. At that time I don't know who originally hired McCullough.

Mr. HALLEY. But O'Hare was the boss?

Mr. JOHNSTON. O'Hare was the boss.

Mr. HALLEY. He must have been the one who hired Patton?

Mr. JOHNSTON. I think they were more or less partners. They both owned interest in the track.

Mr. HALLEY. How did you get to be the boss of Sportsman's Park? How did that develop?

Mr. JOHNSTON. How did it develop?

Mr. HALLEY. Yes.

Mr. JOHNSTON. In 1939 when O'Hare was killed, at that time I was manager. Northern Trust Co. and I had helped the Northern Trust Co., was friendly with them. I got a fellow by the name of Keeshin who was in the trucking business there.

The CHAIRMAN. What is the name?

Mr. JOHNSTON. Jack Keeshin, K-e-e-s-h-i-n. We are talking about the National Jockey Club at Sportsman's Park. The late Charles W. Bidwell, who owned the Chicago Cardinal football team, I got them together to purchase this stock. I agreed with them that if and when I got an opportunity and got enough money to buy a third interest, I was to get one-third of it.

Mr. Keeshin went back on that and never gave it to me. In 1945 I was in there as manager. I kept pressing that I had the money and was ready to buy.

Mr. HALLEY. Had Keeshin bought it at that time?

Mr. JOHNSTON. Yes, and he had operated it 3 or 4 years.

Mr. HALLEY. Did he own it exclusively, or did he have a lot of associates?

Mr. JOHNSTON. He had a lot of associates, stockholders. He had a lot of stock.

Mr. HALLEY. Who were the stockholders?

Mr. JOHNSON. Lawyers, doctors; very prominent people around Chicago.

Senator HUNT. What was the purchase price?

Mr. JOHNSTON. From whom?

Senator HUNT. The trust company.

Mr. JOHNSTON. The trust company. At the time they sold it back in 1939, they bought it for \$28 a share, I think, was the average price.

Senator HUNT. Capitalize that. How many shares?

Mr. JOHNSTON. It was capitalized for \$400,000, I believe. Now, that is not when I purchased. I was supposed to purchase at \$27 or \$28 per share.

In 1947 he went back on that and we were going to be in a lawsuit and he agreed to sell. When I bought it, I bought it at \$160 per share.

Senator HUNT. What is the total purchase price? In other words, what did you put into it?

Mr. JOHNSTON. I put two-hundred-thousand-odd dollars in when I bought it. The total purchase price that we gave Keeshin was eight hundred or nine hundred thousand dollars.

The newspapers had the figures, and I will give them to you at any time.

My brother and I and Bidwell. We agreed that we would buy Keeshin out and divide it. That was in 1946, and that was when I got into the National Jockey Club. I paid \$249,000 or something like that, for my interest.

Mr. HALLEY. Prior to that you owned no stock in the club at all?

Mr. JOHNSTON. Prior to that time I had 40 shares. I was supposed to purchase this. I was supposed to have been able to purchase part of Keeshin's for making this deal and running the race track. Keeshin didn't know anything about running the race track.

Mr. HALLEY. What had been your salary as manager of the club?

Mr. JOHNSTON. I was getting eight or nine thousand for the 30-day season.

Mr. HALLEY. What do you mean for the 30-day season?

Mr. JOHNSTON. That is what we ran, 30 days a year.

Mr. HALLEY. What other businesses did you have during that period?

Mr. JOHNSTON. Well, I was running the dog tracks in Florida.

Mr. HALLEY. When did you start running the dog tracks in Florida?

Mr. JOHNSTON. In 1934.

Mr. HALLEY. In 1934?

Mr. JOHNSTON. Yes.

Mr. HALLEY. At what salary did you start at Sportsman's Park back in 1931?

Mr. JOHNSTON. I think I was getting \$100 a day. The first job I got there, in other words. I don't know. That is far back.

Mr. HALLEY. Did you do any other work during that period?

Mr. JOHNSTON. Did I do any other work?

Mr. HALLEY. Yes.

Mr. JOHNSTON. That winter I went to Miami Beach and worked the Miami Beach track.

Mr. HALLEY. What track?

Mr. JOHNSTON. The Miami Beach Kennel Club.

Mr. HALLEY. Who then owned it?

Mr. JOHNSTON. Mr. O'Hare.

Mr. HALLEY. And you worked for him?

Mr. JOHNSTON. I worked for him at the Miami Beach.

Mr. HALLEY. What salary did you get at the Miami Beach Kennel Club?

Mr. JOHNSTON. I think I was getting twenty-five or thirty a night there.

Mr. HALLEY. During those days while you were at Miami Beach, did you ever meet Al Capone?

Mr. JOHNSTON. Never.

Mr. HALLEY. Did you ever see him at the Kennel Club?

Mr. JOHNSTON. He was in jail at that time.

Mr. HALLEY. Was he in jail when you first went to Florida?

Mr. JOHNSTON. Yes.

Mr. HALLEY. Did you ever meet any of his brothers, Joe or Ralph Capone?

Mr. JOHNSTON. Never.

Mr. HALLEY. Not even in Florida?

Mr. JOHNSTON. Not even in Florida.

Mr. HALLEY. How did you get into the management of the Miami Beach Kennel Club? Will you develop that?

Mr. JOHNSTON. I first became manager of the Jacksonville Kennel Club.

Mr. HALLEY. Who gave you that job?

Mr. JOHNSTON. O'Hare gave me that.

Mr. HALLEY. Who built it?

Mr. JOHNSTON. O'Hare built it.

In 1934 I went to Jacksonville and built the Jacksonville Kennel Club and became manager there and did a fairly good job. I didn't get into the Miami Beach Kennel Club until in 1939 when the Northern Trust Co. was selling these assets. As I told you a minute ago, I made a deal with Keeshin and got him into the National Jockey Club. The reason I didn't go into the National Jockey Club myself at that time was because I didn't have the funds to go into that and the dog clubs.

Mr. HALLEY. The National Jockey Club?

Mr. JOHNSTON. Yes.

Mr. HALLEY. The Miami Beach Kennel Club?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. The Jacksonville Club?

Mr. JOHNSTON. The Jacksonville Kennel Club.

Mr. HALLEY. What other clubs were there, or tracks?

Mr. JOHNSTON. The Associated Outdoor Club of Tampa, Fla.

Mr. HALLEY. Was that also an O'Hare operation?

Mr. JOHNSTON. No, that wasn't.

Mr. HALLEY. Who ran that?

Mr. JOHNSTON. That was owned by a group. There was a Cincinnati group in there, Mr. Hayter, who owns the Aluminum Industries in Cincinnati. It is one of the biggest corporations, and he owns the biggest part of it.

Mr. HALLEY. Who were some of the other people?

Mr. JOHNSTON. Patton had an interest in there; O'Hare had an interest in there. There were two groups. In 1939 I got an interest in the Tampa dog track.

Mr. HALLEY. How did you acquire that?

Mr. JOHNSTON. I bought that from the Northern Trust Co.

Mr. HALLEY. What did you buy, O'Hare's interest?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. What did you pay for it?

Mr. JOHNSTON. I don't know offhand right now, but the records, I can get them for you any time.

Mr. HALLEY. Approximately what would you say you paid? Over \$10,000?

Mr. JOHNSTON. Let's see how much he had in there. I can figure it out.

Mr. HALLEY. Please.

Mr. JOHNSTON. I can try to. I don't know offhand, but he had 31 shares. I think at that time it would cost me for that Tampa interest around seventy-some hundred. I had better get the figures and give them to you, if you desire them, because two groups bought at one time and another one later.

Mr. HALLEY. When did you first acquire an interest in the Miami Beach Kennel Club?

Mr. JOHNSTON. Around about the 3d of March 1941.

Mr. HALLEY. What did you pay for that interest?

Mr. JOHNSTON. I would have to get you the figures. The only thing I have here on this is that in 1941 there were two or three groups in Miami. Maybe some of my trouble is coming from one of these groups that tried to purchase this Miami Beach Kennel Club stock. The late Lt. Comdr. Edward H. O'Hare was Eddie's son, who got the Congressional Medal of Honor. You probably heard of him. He was alive at that time and he did not want the Northern Trust Co. to be selling it to these other people. He said that if anybody was entitled to it, I should be.

I purchased my interest and around about the month of March, I sent Edward O'Hare, transferred the money up there to him March 1941, to Edward H. O'Hare for him to go in and put the deposit on it.

We got it on a time basis.

Mr. HALLEY. You got that on a time payment basis?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. Would this be excessive, \$10,000?

Mr. JOHNSTON. I gave him \$31,500.

Mr. HALLEY. You mean you paid that much to him on account?

Mr. JOHNSTON. Yes. I transferred that amount. This is the record where I transferred it from my account in Jacksonville to his account in the First National Bank in Chicago.

Mr. HALLEY. That is in 1941?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. That would be just a part payment on the stock?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. Was the entire payment in excess of \$100,000?

Mr. JOHNSTON. I don't know, offhand, to tell the truth. I would rather give you these figures at a later time, if you want them.

Mr. HALLEY. Of course we did subpoena all your books and records, did we not?

Mr. JOHNSTON. You did.

Mr. HALLEY. They turned out to be in Miami or Jacksonville?

Mr. JOHNSTON. At the time I got the subpoena last Wednesday, the time they came in and served me, Mr. McKane said, "I will call tomorrow and tell them that it will be very inconvenient for you to get all this stuff here, tell them how you have tried to cooperate in getting this subpoena."

I believe he called a Mr. Rice and Mr. Rice called him back once or twice, and then he called me and told me to call Mr. Rice. I called

Mr. Rice and explained it and Mr. Rice said to bring what I could. I assured him that I would give anything else they wanted later.

Mr. HALLEY. What have you been able to bring?

Mr. JOHNSTON. All I had was what was up there. I have the list of the stockholders of these race tracks.

Mr. HALLEY. What else do you have?

Mr. JOHNSTON. I had a letter here that I found in Michigan. In 1945—June 26, 1944—

The CHAIRMAN. Before you go to that letter, may I see the list of stockholders of that race track?

Mr. JOHNSTON. Which one do you want?

The CHAIRMAN. Let us see Sportsman's Park, and the Miami Jockey Club. You seem to have them all there, may I examine them?

Mr. JOHNSTON. I am sorting them out for you.

The CHAIRMAN. You have sheets for each one of them. May I see them all?

Mr. HALLEY. Why do you not turn them all over to the chairman?

Mr. HELLER. Just a moment, please.

The CHAIRMAN. Here is the National Jockey Club and Sportsman's Park.

Mr. JOHNSTON. Here is the Miami Beach Kennel Club.

The CHAIRMAN. Now, I have Jacksonville. Do you have Tampa?

Mr. JOHNSTON. You have Tampa there.

The Orange Park Kennel Club, I want to comment on the Orange Park Kennel Club. The Orange Park Kennel Club is the only kennel club which I have organized myself. This kennel club was organized 4 years ago in Jacksonville, Fla., and I submit to you the complete stockholders' list at that time. There are the friends that I took into the kennel club that I organized. (The list referred to was marked "Exhibit No. 169," and appears in the appendix on p. 791.)

Mr. HALLEY. Where are all your income-tax returns and your personal vouchers, and so forth? Do you think you have had time to work up these things that I regard as self-serving? Where are they?

Mr. JOHNSTON. They are in Jacksonville.

Mr. HALLEY. Where?

Mr. JOHNSTON. At my home.

Mr. HALLEY. Where are your current records that your auditors used to run your business today?

Mr. JOHNSTON. Mr. Halley, my business that I run today is corporations. Each corporation has their books in their offices. My private affairs, the only thing that I get in the way of income, is salaries from these places, plus my dividends.

Mr. HALLEY. Who prepares your personal income-tax returns?

Mr. JOHNSTON. Frank Cowles.

Mr. HALLEY. How do you spell that?

Mr. JOHNSTON. C-o-w-l-e-s. He is a certified public accountant.

Mr. HALLEY. Where is he located?

Mr. JOHNSTON. In Tampa, Fla.

Mr. HALLEY. Does he have any of your records?

Mr. JOHNSTON. He may have this last year's. He usually makes out my return and sends it back to me and I send it in.

Haven't you got it in here? Someone must have it because they asked for things here that they could only find out from the tax return.

Mr. HALLEY. Does anybody besides Frank Cowles make out your tax returns?

Mr. JOHNSTON. One time I used a young fellow by the name of Charles Blum, who was an internal-revenue man in Jacksonville.

Mr. HALLEY. When did you use him?

Mr. JOHNSTON. Sometimes I have Cowles make it out, and sometimes I have him.

Mr. HALLEY. Does Blum have any of your records?

Mr. JOHNSTON. No.

Mr. HALLEY. Who else has worked on your income tax?

Mr. JOHNSTON. They are the only two.

Mr. HALLEY. Going back, say, to the year 1932, who else has worked on your personal tax returns?

Mr. JOHNSTON. Nobody. My personal tax return, you see, is a simple matter. The only thing that I have is salaries and dividends, and they are all reported.

Mr. HALLEY. Now, where do you do your banking?

Mr. JOHNSTON. The Barnett National Bank in Jacksonville.

Mr. HALLEY. Do you have any other bank?

Mr. JOHNSTON. I have a small account in the Northern Trust Co. in Chicago.

Mr. HALLEY. Do you have any other accounts?

Mr. JOHNSTON. I think I have an account in Saugatuck, Mich.

Mr. HALLEY. What bank?

Mr. JOHNSTON. The Fruit Growers State Bank.

Mr. HALLEY. Have you any other bank account in any other bank whatsoever?

Mr. JOHNSTON. I don't think so.

Mr. HALLEY. Have you had any other bank accounts in the last 5 years?

Mr. JOHNSTON. Yes.

Mr. HALLEY. Where?

Mr. JOHNSTON. I think when I transferred some stuff up there I did a little bit with the Continental Bank.

Mr. HALLEY. In Chicago?

Mr. JOHNSTON. In Chicago. I had an account there for a while.

Mr. HALLEY. Have you had any other accounts in the last 5 years?

Mr. JOHNSTON. Not that I know of.

Mr. HALLEY. Do you have any safe deposit boxes?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. Where?

Mr. JOHNSTON. The Barnett National Bank in Jacksonville.

Mr. HALLEY. Do you have a safe deposit box anywhere else?

Mr. JOHNSTON. No.

Mr. HALLEY. You say your income is all in the form of salaries and dividends from corporations?

Mr. JOHNSTON. Well, I got an income from the corporations and property. What I meant is that it all comes in on those forms and I pay it to the Government.

Mr. HALLEY. You get checks?

Mr. JOHNSTON. Yes.

Mr. HALLEY. Do you keep books?

Mr. JOHNSTON. No.

Mr. HALLEY. What do you do, deposit the checks?

Mr. JOHNSTON. I may cash or deposit the check. If I need the money I take it, but the majority goes in the bank.

Mr. HALLEY. Let us say in the last 5 years, would you say that substantially all of your income has come in the form of salaries or dividends?

Mr. JOHNSTON. Yes.

Mr. HALLEY. That has been from regularly organized corporations?

Mr. JOHNSTON. That has been from regularly organized corporations.

Mr. HALLEY. Do those corporations invariably pay in the form of checks?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. Now, yesterday, we were talking about your contributions to the campaign of Fuller Warren?

Mr. JOHNSTON. That is right.

Mr. HALLEY. You mentioned that most of your campaign contributions were made in cash?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. I asked you how that happened and you said you habitually handled large sums of cash?

Mr. JOHNSTON. I don't think I said that. I didn't say large sums of cash. I said I have always had some cash on hand.

Mr. HALLEY. We are talking about cash in excess of about \$60,000?

Mr. JOHNSTON. That is right.

Mr. HALLEY. That you testified you handed over in this campaign?

Mr. JOHNSTON. Yes, sir; that is true.

Mr. HALLEY. I wondered how that would come into your hands in the ordinary course of the business you described.

Mr. JOHNSTON. I would possibly cash checks and put it in the box. My records are clear for the income tax for anybody to check. I am a very simple man to check, because every income I got is in checks and I must show where it comes from.

Mr. HALLEY. If your income comes in that form it would seem to me that it would be a perfectly simple thing for you to have made these campaign contributions in checks.

Mr. JOHNSTON. It would have been very, very easy.

Mr. HALLEY. Everybody else made them in checks?

Mr. JOHNSTON. It would have been easy, but I didn't care to make them that way.

Mr. HALLEY. You said you had these large amounts of cash on hand?

Mr. JOHNSTON. I had it on hand.

Mr. HALLEY. I wondered how you happen to accumulate the cash in the form that you have described with money coming in in the form of salary and dividend checks.

Mr. JOHNSTON. I cashed checks when I needed cash.

Mr. HALLEY. Do you make a practice of cashing checks and putting it in a box?

Mr. JOHNSTON. I always keep \$40,000 or \$50,000 in the box.

Mr. HALLEY. You have?

Mr. JOHNSTON. Always have.

Mr. HALLEY. What needs do you have for \$40,000 or \$50,000 cash in the deposit box?

Mr. JOHNSTON. Years ago the bank closed and I couldn't get anything to eat, so I decided that it would never happen to me again.

Mr. HALLEY. You now keep \$40,000 or \$50,000 around for a rainy day?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. In a safe deposit box?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. And you get that by drawing checks on your bank account?

Mr. JOHNSTON. That or else cashing my salary checks or dividend checks.

Mr. HALLEY. You have available your cancelled checks?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. And whatever other records you have?

Mr. JOHNSTON. Anything that I have is available for you, Mr. Halley.

Mr. HALLEY. Well, I have been having a little trouble getting it.

Mr. JOHNSTON. Wait a minute, Mr. Halley; you haven't had any trouble with me, not since I have known it yesterday.

Mr. HALLEY. You are always just a little unavailable.

Mr. JOHNSTON. We won't argue; you just tell me what you want.

Mr. HALLEY. What I want at this time is your commitment to produce on reasonable notice, say, no less than 3 days, to the committee investigators, your books of accounts and records.

Mr. JOHNSTON. Mr. Halley, there is only one thing I would like to change in that. You say within 3 days. As you can see, I am all over this country and 3 days' time is not very much if I am in Chicago and have to go to Miami and vice versa. Let's make it a reasonable time from where I am. It may be 24 minutes from where I am if I am in Jacksonville, but if I am in Chicago or New York it may be 10 days.

Mr. HALLEY. Shall we make that 10 days?

Mr. JOHNSTON. Ten days will be all right.

Mr. HALLEY. What other jockey clubs do you own? We have the Miami Beach Jockey Club, O'Hare's interest. Do you now own the entire stock, or just the O'Hare interest?

Mr. JOHNSTON. I don't even hold the O'Hare interest.

Mr. HALLEY. What do you hold?

Mr. JOHNSTON. Where at?

Mr. HALLEY. Miami Beach.

Mr. JOHNSTON. My wife and I, our immediate family, we will put it, own approximately 62—practically 15 percent of it.

Senator WILEY. What salary do you draw?

Mr. JOHNSTON. I draw \$15,000 a year. No, \$20,000 from the Miami Beach Kennel Club.

Senator WILEY. Is that the average dividend on those 62 shares?

Mr. JOHNSTON. Miami Beach Kennel Club? I said 6,200 shares. You see, these figures are not complete here. I don't know just how this would figure out. It would be around \$20,000 each year; that is, the Miami Beach Kennel Club, you are asking about, alone. You are not asking about the others?

Mr. HALLEY. While you are at it, why not tell Senator Wiley what you get from the others.

Mr. JOHNSTON. I get \$25,000 a year from the National Jockey Club. I get \$15,000 from the Miami Beach Kennel Club; I get \$15,000 from the Associated Outdoor Club of Tampa, Fla. I get \$15,000 from the Jacksonville Kennel Club, and I get \$12,000 from the Orange Park Club.

In regard to the Jacksonville Club, I am not sure whether it is \$12,000 or \$15,000 from that one. The rest are correct.

Senator WILEY. Then you get dividends on top of that?

Mr. JOHNSTON. Yes, sir.

Senator WILEY. What caused you to make this contribution to the Governor's fund?

Mr. JOHNSTON. What caused me?

Senator WILEY. Yes.

Mr. JOHNSTON. As I made the statement yesterday, he was strictly a friend of mine and I wanted to help him. I did not think it was going to run that high.

Senator WILEY. What do you mean by that last statement?

Mr. JOHNSTON. When I went in there—pardon me, Senator, you weren't here yesterday when I read my statement.

Senator WILEY. I am sorry. I just want to know. You said you did not know it was going to run that high. Did you not give him this money all at once?

Mr. JOHNSTON. No; I will tell you what happened. Mr. Wolfson and Mr. Griffin came to me and asked me if I would join them in underwriting the Governor's campaign. We agreed to put up \$25,000 apiece. We thought that would be enough and that we would get other contributions after that, even that we might get some of that back. As it was, there was nothing coming back, it was just "Send more money, send more money."

Senator WILEY. Did you make any political contributions to anybody else?

Mr. JOHNSTON. Have I?

Senator WILEY. Yes; at the same time?

Mr. JOHNSTON. No.

Senator WILEY. Did you give anything to county officials or State officials, or national officials?

Mr. JOHNSTON. No, sir.

Senator WILEY. Nothing to the national campaign?

Mr. JOHNSTON. You are talking about this time, or in the past?

Senator WILEY. Forget the past. This time?

Mr. JOHNSTON. No.

Senator WILEY. That was just the campaign that was just past, that you are talking about?

Mr. JOHNSTON. Yes, sir.

Senator WILEY. Did any of that come from the corporations?

Mr. JOHNSTON. None.

Senator WILEY. Is there any limitation on the amount in Florida law that an individual can pay?

Mr. JOHNSTON. No.

Senator WILEY. There is a national limitation, you are aware of that, are you not?

Mr. JOHNSTON. Yes.

Senator WILEY. Were you aware of the fact that you were violating a law, then?

Mr. JOHNSTON. In what?

Senator WILEY. In the amount that you were paying?

Mr. JOHNSTON. No, sir.

Senator WILEY. Did you expect anything in return?

Mr. JOHNSTON. No, sir.

Senator WILEY. Were any promises made for it?

Mr. JOHNSTON. No, sir.

The fact of the matter is this: It was just a matter of underwriting, guaranteeing, some money. As it was, my word was on it and I was just stuck, Senator.

Senator WILEY. I have no other questions.

The CHAIRMAN. All right, Mr. Halley.

Mr. HALLEY. When did you acquire your interest in the Associated Outdoor Club?

Mr. JOHNSTON. In Tampa?

Mr. HALLEY. That is 1939?

Mr. JOHNSTON. Yes.

Mr. HALLEY. In Miami Beach in 1941?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. You paid \$41,000 down and notes for some more money?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. Then Orange Park you built yourself?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. When was that?

Mr. JOHNSTON. That was in about—right after the war.

Mr. HALLEY. 1946 or 1947?

Mr. JOHNSTON. As soon as the release came of materials.

Mr. HALLEY. When did you acquire your interest in the Jacksonville Kennel Club?

Mr. JOHNSTON. I acquired the biggest part of it at the same time that I got the O'Hare interest, but I had acquired some as I went along. I bought some from local people who wanted to get out before that time.

Mr. HALLEY. Then in 1946 you acquired your stock in the National Jockey Club?

Mr. JOHNSTON. I think 1946; around that time.

Mr. HALLEY. For that you paid a quarter of a million dollars?

Mr. JOHNSTON. I think that was my share.

Mr. HALLEY. Did you pay it in cash?

Mr. JOHNSTON. In checks.

Mr. HALLEY. Checks?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. But you paid for it outright at that time?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. O'Hare was killed in 1938; is that right?

Mr. JOHNSTON. 1939, I believe.

Mr. HALLEY. Up to 1939 you were a salaried employee; is that right?

Mr. JOHNSTON. No; I had gotten a little stock in the Jacksonville Kennel Club and I had a track from 1934. That has now closed, across the river from Memphis in Arkansas. I ran that.

Mr. HALLEY. What track was that?

Mr. JOHNSTON. The Riverside Greyhound Track, West Memphis, Ark.

Mr. HALLEY. During what years did you run that?

Mr. JOHNSTON. Oh, I ran that from about 1934 until just the beginning of the war.

Mr. HALLEY. Did you have any associates in the Riverside Track?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. Who were they?

Mr. JOHNSTON. They were some people there from Arkansas who owned 50 percent of it.

Mr. HALLEY. Any people from Hot Springs?

Mr. JOHNSTON. No. There was a fellow by the name of Landers, a planter; a banker by the name of Rhoades had part of it; a lawyer there from West Memphis that had part of it.

Mr. HALLEY. Well, we do not have your records and I think to save time I am not going to try at this point to get the details. We will save that until we have seen the records, but would you explain in general how starting practically from scratch in 1932, and with the exception of this dog track you named in Arkansas, being practically nothing but a salaried employee up to 1939, you are able to accumulate enough money to pay \$250,000, approximately, of your own money for the National Jockey Club in 1946?

Mr. JOHNSTON. I think that you will find all the way through whenever I went into these things, when I associated with Mr. Bidwell and my brother in accumulating these various interests, I took them in with me to help finance these deals.

Whenever I bought any of this, whatever I did, I bought in and borrowed the rest from my brother. I had made big money, as you know, from those income-tax returns.

Mr. HALLEY. Tax rates have been quite high and particularly during the war years.

Mr. JOHNSTON. That is right.

Mr. HALLEY. To accumulate, and living well, as I gather you do, \$250,000 by 1946 would seem to me to be a fairly good trick.

Mr. JOHNSTON. I think I have done very well for myself.

Mr. HALLEY. I was wondering if you would care to explain where the accumulation of capital came from so that you were able to put \$250,000 into Sportsman's Park in 1946?

Mr. JOHNSTON. I don't know how the accumulations came. You put in all the moneys that I had in these things and I have been parlaying the money.

When I would get dividends I would put them back in. I would borrow when I needed to borrow, and I just kept on buying.

Mr. HALLEY. I think you stated that the quarter million you put in in 1946 was your own money, and that you did not borrow?

Mr. JOHNSTON. I don't know that I said that.

You asked me what I paid for my interest, and I said \$249,000.

Mr. HALLEY. Well, what is the fact? Let us forget about what you said. What is the fact?

Mr. JOHNSTON. I wouldn't know until I checked up. What I put in, I borrowed and paid back.

Mr. HALLEY. Well, it was a pretty big deal. You probably remember. What is your best recollection today on what happened?

Mr. JOHNSTON. The best recollection I have today?

At the time we bought that stock in the National Jockey Club, we got together, my brother and I, and the first thing that we did—we had to close this deal in 24 hours. We borrowed \$400,000 and put up our stock.

Mr. HALLEY. From whom did you borrow the \$400,000?

Mr. JOHNSTON. We borrowed the \$400,000 out of the treasury of the Miami Beach Kennel Club and put our stock up as security for it, and we later paid it back in as we made arrangements on the thing.

Mr. HALLEY. That is astonishing. Did you own 100 percent of the Miami Beach Kennel Club?

Mr. JOHNSTON. No, sir.

Mr. HALLEY. What percent?

Mr. JOHNSTON. The stockholders approved the loans.

Mr. HALLEY. Was that ratified at a later time?

Mr. JOHNSTON. It has all been ratified.

Mr. HALLEY. You didn't have time to go before them before, then?

Mr. JOHNSTON. No; but it was ratified afterward.

Mr. HALLEY. And you just took that amount out of the treasury and made the deal?

Mr. JOHNSTON. That is correct; and pledged the stock as security for it.

Mr. HALLEY. What stock did you pledge?

Mr. JOHNSTON. I put up all the stock I had and all the tracks I had.

Mr. HALLEY. Including Sportsman's Park?

Mr. JOHNSTON. Yes. There was very, very good security there.

Mr. HALLEY. And then you finally did get that ratified?

Mr. JOHNSTON. We got it ratified; yes.

Mr. HALLEY. Then you paid them back; is that correct?

Mr. JOHNSTON. Yes.

Mr. HALLEY. Very shortly?

Mr. JOHNSTON. Yes.

Mr. HALLEY. And what money did you use to pay it back?

Mr. JOHNSTON. In other words, here is the situation. On this stock that was bought, Bidwell and I bought it as trustees. When the stock was eventually—as we allotted it to who we were giving part of it to, we would cash those things in. We would take the money. And we finally paid it off.

Mr. HALLEY. Well, look, Mr. Johnston. We are sort of getting lost in details. It would seem to me that these high salaries you received were received by you only after you started buying tracks and consolidating yourself.

Mr. JOHNSTON. That is correct. That is the reason I bought them.

Mr. HALLEY. And that prior to the war years, when taxes were not so high, you didn't own those tracks.

Mr. JOHNSTON. I made very good money since 1934.

Mr. HALLEY. Even at Sportsman's Park?

Mr. JOHNSTON. Yes.

Mr. HALLEY. I thought you said your income there never was over \$9,000 a year, or \$8,000 a year.

Mr. JOHNSTON. That is one place. You know, I was always running at other places. That was only 30 days a year.

Mr. HALLEY. Well, we are going to get your records and find out.

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. But let's have your statement as best you can give it of what capital accumulations you made prior to 1946, so that you were in a position to buy Sportsman's Park with your own money.

Mr. JOHNSTON. Well, I didn't say I was in a position to buy Sportsman's Park with my own money. Don't try to put words in my mouth, now.

Mr. HALLEY. What did you say?

Mr. JOHNSTON. I told you my brother and I and Bidwell got together and got the money together to put into Sportsman's Park.

Mr. HALLEY. Your share of it was about a quarter of a million dollars?

Mr. JOHNSTON. I can tell you what my share is here, approximately. Between myself and my family, we have about 1,300 shares at \$160 a share. Figure it out for yourself, and you will find out what my share was.

Mr. HALLEY. Well, how many shares did you have? How many did you pay for?

Mr. JOHNSTON. That is what I paid for.

Mr. HALLEY. You paid for 1,300 shares?

Mr. JOHNSTON. Yes.

Mr. HALLEY. At \$160 a share?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. So that would be something over \$200,000?

Mr. JOHNSTON. That is correct. That is what I said.

Mr. HALLEY. And you borrowed it very temporarily from the Miami Beach Jockey Club, just so you could close the deal in a 24-hour period.

Mr. JOHNSTON. That is right.

Mr. HALLEY. And then I presume you paid them right back.

Mr. JOHNSTON. We paid them back, yes. I don't say we paid back the next day. I think it took us about a year to pay that back.

Mr. HALLEY. You mean you held the money for the Miami Beach Jockey Club for about a year?

Mr. JOHNSTON. I think that is right.

Mr. HALLEY. And then you paid it back?

Mr. JOHNSTON. Let me get the records.

Mr. HALLEY. All right; but I wanted to get the best statement as to where you got the money, where you got the quarter of a million dollars.

Mr. JOHNSTON. Well, I earned it.

Mr. HALLEY. You accumulated it out of earnings?

Mr. JOHNSTON. Yes, sir; I accumulated it.

Mr. HALLEY. Did you make any outstanding or important capital gains during the period prior to 1946?

Mr. JOHNSTON. No, sir.

Mr. HALLEY. Did you make any capital gains in excess of \$10,000, let us say?

Mr. JOHNSTON. No, sir.

Mr. HALLEY. So that it was all accumulated out of earnings?

Mr. JOHNSTON. All accumulated out of earnings, all the money that I had. Except that I made capital gains since then.

Mr. HALLEY. We are talking about the period up to the time you put almost a quarter of a million dollars into Sportsman's Park. And

it is your statement that you accumulated that money out of earnings?

Mr. JOHNSTON. I told you that I borrowed \$400,000 from the Miami Beach Kennel Club.

Mr. HALLEY. You also told me that you paid it back in the end.

Mr. JOHNSTON. Yes, we paid it back.

Mr. HALLEY. Did you borrow money to pay it back again?

Mr. JOHNSTON. Let me ask you something, Mr. Halley, here. Are you trying to confuse me? I am trying to give you the facts the best I can. I am trying to be a witness here, and give you the facts. It looks to me like you are trying to confuse me and berate my testimony.

Senator KEFAUVER. Well, Mr. Johnston, nobody is trying to confuse anybody.

Mr. JOHNSTON. I am sorry, Senator.

Senator KEFAUVER. What the question was, and it is a fair one, is that you borrowed \$400,000 from the Miami Beach Kennel Club and paid it back very shortly; I think you said within a year?

Mr. JOHNSTON. I don't know the exact dates, but let me go back and check the records and come back and give it to you.

Senator KEFAUVER. I think that out of that sum you paid the two-hundred-thousand-odd dollars for Sportsman's Park.

So if you know how you paid the \$400,000 back, where you got the money from, we would appreciate your telling us.

Mr. JOHNSTON. Yes. You see, let me explain this to you. We bought this, and we divided it up, and each one would bring in their money and get their share for this stock. And it all went through an account that I had at the Northern Trust Co. When I get to that account to check up on it, I will be able to give you all your facts and figures.

Mr. HALLEY. Did you borrow the money to pay back the Miami Beach Kennel Club, or did you pay that without borrowing?

Mr. JOHNSTON. No, sir; I paid it back.

Mr. HALLEY. And you didn't borrow money from Peter to pay Paul?

Mr. JOHNSTON. No.

Mr. HALLEY. Now, do you know Harry Russell?

Mr. JOHNSTON. I know of him. I know him, yes; but, as I said before, I know a lot of people.

Mr. HALLEY. But he is one of a lot of people you know?

Mr. JOHNSTON. One of a lot of people I know; yes.

Mr. HALLEY. When did you first meet Harry Russell?

Mr. JOHNSTON. I think the first time I met Harry Russell was—I would say 4 or 5 years ago.

Mr. HALLEY. Four or five years ago. Where did you first meet him?

Mr. JOHNSTON. Charley Bidwell used to have an office around Plymouth Court in Chicago, and he had a restaurant on the corner of State and Van Buren Streets.

Mr. HALLEY. Russell had a restaurant?

Mr. JOHNSTON. Yes.

Mr. HALLEY. Russell's Bar?

Mr. JOHNSTON. Russell's Silver Bar, I think is the name of it.

Mr. HALLEY. And Ralph Pierce is located upstairs?

Mr. JOHNSTON. I don't know.

Mr. HALLEY. You know Ralph Pierce?

Mr. JOHNSTON. I never have met and never have seen Ralph Pierce.

Mr. HALLEY. At any event, you went into Russell's Silver Bar, and you met Harry Russell?

Mr. JOHNSTON. That is right.

Mr. HALLEY. And you have continued knowing him through the years since?

Mr. JOHNSTON. That is right. I have seen him possibly from time to time a dozen times since then.

Mr. HALLEY. Well, witnesses have mentioned that they have seen him with you in Miami at the Miami Beach Kennel Club, for instance.

Mr. JOHNSTON. That is correct.

Mr. HALLEY. And I believe he has been seen with you up at Sportsman's Park. Would that be right?

Mr. JOHNSTON. No, sir.

Mr. HALLEY. You have never seen him at Sportsman's Park?

Mr. JOHNSTON. No, sir.

Mr. HALLEY. You are sure of that?

Mr. JOHNSTON. I am sure of that.

Mr. HALLEY. But you have seen him in and around Chicago?

Mr. JOHNSTON. Well, I saw him at the Blackstone Hotel in the lobby once, but that is about the only place I have seen him.

Mr. HALLEY. You say you have seen him about a dozen times altogether?

Mr. JOHNSTON. Possibly that.

Mr. HALLEY. Have you ever had any business dealings with Russell?

Mr. JOHNSTON. No; I haven't. At one time his partner, whose name was Fishman, talked about leasing some property that we had to put a restaurant in Miami Beach. It never went through. That was the only thing we ever had.

Mr. HALLEY. Russell was associated with Fishman in certain book-making businesses, wasn't he?

Mr. JOHNSTON. Well, Fishman was the one who ran the restaurant. I have never seen Russell in the restaurant so much as I did Fishman. I met him in there one time, as I testified before. But Fishman was the one who ran the restaurant there.

Mr. HALLEY. And you got to know Russell as an acquaintance at least; is that right?

Mr. JOHNSTON. That is right.

Mr. HALLEY. From time to time did you call him up on the telephone?

Mr. JOHNSTON. No.

Mr. HALLEY. Well, you have called Harry Russell on the telephone, haven't you?

Mr. JOHNSTON. Not that I recollect. I may have. I don't know.

Mr. HALLEY. Would it surprise you to know that the telephone bills so reflect?

Mr. JOHNSTON. I may have called him. I don't know.

Mr. HALLEY. Now you know Rush, of course, John Rush?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. How long has he represented your interests?

Mr. JOHNSTON. He has represented the Jacksonville Kennel Club since '45, I believe.

Mr. HALLEY. How did you happen to become acquainted with John Rush?

Mr. JOHNSTON. Lester Jennings, who is an attorney in Jacksonville, was my attorney, and he shared offices with John Rush. And he died in January 1945; so we just took on Mr. Rush as the attorney for the track.

Mr. HALLEY. Now, do you know W. O. Crosby?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. He is the man who was a special investigator appointed by Gov. Fuller Warren?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. How long have you known W. O. Crosby?

Mr. JOHNSTON. I knew "Bing" since he worked for the gas company in Jacksonville.

Mr. HALLEY. When was that?

Mr. JOHNSTON. When we opened the track. He used to come out to the track quite often. He worked for the gas company, and then he went into the police force and was on the police force. And I didn't see him so much after that until recently.

Mr. HALLEY. What do you mean "recently"?

Mr. JOHNSTON. When he came to Miami Beach, he used to come over to the dog track.

Mr. HALLEY. You mean when he came to Miami Beach as an investigator?

Mr. JOHNSTON. I imagine that is what he was there for.

Mr. HALLEY. That was in the first months of 1949?

Mr. JOHNSTON. Yes, after Governor Warren was elected.

Mr. HALLEY. And he would come to see you quite often, wouldn't he, at the dog track?

Mr. JOHNSTON. Not very often, because I wasn't there very often. You see, I ran three tracks all during the same time. I spent a few days in Jacksonville, a few days in Miami, and a few days in Tampa.

Mr. HALLEY. Let's shorten it by saying he came to see you several times during that period. Is that right?

Mr. JOHNSTON. That is right.

Mr. HALLEY. During that period, did you also see Russell?

Mr. JOHNSTON. I possibly did, yes. If he was at the track, I seen him.

Mr. HALLEY. And talked to him at the track?

Mr. JOHNSTON. Yes.

Mr. HALLEY. Did you also know a Craig, a Raymond Craig?

Mr. JOHNSTON. No.

Mr. HALLEY. Do you know who Raymond Craig is?

Mr. JOHNSTON. By reputation.

Mr. HALLEY. He is a rather well known bookmaker in Miami?

Mr. JOHNSTON. I understand that is what he is, but I don't know.

Mr. HALLEY. Have you never met Craig?

Mr. JOHNSTON. I don't believe I have. I may have met him and don't remember. As an example, here, the other day, one of these boys from Miami spoke of an introduction to me, and he told me where he had met me, and I didn't remember it. That was a bad mistake, when I didn't remember a newspaper man, but that is the fact. I mean, you can't remember everyone you meet.

Mr. HALLEY. Well, Craig was a man who was trying to push a bill to have gambling legalized in Florida. Do you recall that?

Mr. JOHNSTON. I don't recall that. I knew there were a couple of bills up, there. But trying to legalize gambling?

Mr. HALLEY. Legalizing it off the track.

Mr. JOHNSTON. That is right.

Mr. HALLEY. And certain of those bills found their way into John Rush's office; isn't that right?

Mr. JOHNSTON. I know that now, but I didn't know it at that time. Because that is one thing that I did not know about. And if I had known about it, I didn't like that very well, because it is against my interests.

Mr. HALLEY. I was wondering if it would refresh your recollection if you were told that Craig says he discussed the legalized gambling bill with you.

Mr. JOHNSTON. Craig discussed the legalized gambling bill with me?

Mr. HALLEY. Did he ever telephone you long distance from Florida to Chicago?

Mr. JOHNSTON. Craig? I don't remember Craig calling me long distance. You know, at that time, during the legislature, there was a lot of people that would be coming to me.

Senator WILEY. What time was that?

Mr. JOHNSTON. That was 1949.

Mr. HALLEY. Why would a lot of people come to you?

Mr. JOHNSTON. Because the newspapers had made me a big man in Florida.

Mr. HALLEY. How had the newspapers made you a big man?

Mr. JOHNSTON. Well, if you read the headlines, they said I was the Governor's chief adviser and the Governor's boozing pal and all this sort of stuff. And, I want to tell you, I got a million calls.

Mr. HALLEY. Well, in fact, didn't you pay something like a hundred thousand dollars for the privilege of becoming the Governor's chief adviser?

Mr. JOHNSTON. I was never the Governor's chief adviser and never wanted to be the chief adviser of the Governor. I have enough headaches trying to run five race tracks.

Mr. HALLEY. Did the Governor ever consult you about any matters concerning the government of the State of Florida?

Mr. JOHNSTON. No. We discussed various things, but he never discussed anything like that with me at all. A racing commission was appointed. I says, "I don't care who you put on the commission. They can't do anything for me or anything against me. Just so they are fair; that is all I care."

Mr. HALLEY. Were you here yesterday when Mr. Griffin returned to the witness stand to give further testimony?

Mr. JOHNSTON. I was.

Mr. HALLEY. Did you hear his testimony?

Mr. JOHNSTON. I did.

Mr. HALLEY. Would you care to comment on it?

Mr. JOHNSTON. Well, I didn't get what was straight on that. Did Mr. Griffin say that I put \$154,000 into this campaign, or did he say that he did?

Mr. HALLEY. I think he said that you, he, and Wolfson agreed each to put \$154,000 in.

Mr. JOHNSTON. Well, he is mistaken in that.

Mr. HALLEY. The original agreement, I think he said, was simply to underwrite it, and he said you contributed equal amounts. I think he said that he put \$154,000 in, and therefore he assumed you did.

Mr. JOHNSTON. I thought that he had said that I had put it in.

Mr. HALLEY. Your total was about \$100,000; is that correct?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. Plus notes for \$30,000, which you then got back?

Mr. JOHNSTON. That is right.

Mr. HALLEY. And of your hundred, only about 60 was your own money?

Mr. JOHNSTON. Around 40, I think, whatever it figures out; around \$40,000.

Mr. HALLEY. Now, did you hear Griffin state yesterday that he thought that your going to Tallahassee had something to do with his commission as the Governor's investigator being withdrawn?

Mr. JOHNSTON. I didn't hear that. Did he say that?

Mr. HALLEY. He said you were in Tallahassee, and in fact he testified in Florida that he saw you coming away from the capitol the day after his commission was announced, and that that night his commission was revoked by the Governor.

Mr. JOHNSTON. Mr. Griffin must have been mistaken, because I did not come away from the capitol on that day.

Mr. HALLEY. Were you in Tallahassee?

Mr. JOHNSTON. I was in Tallahassee.

Mr. HALLEY. Did you see the Governor?

Mr. JOHNSTON. I seen the Governor and had lunch with the Governor.

Mr. HALLEY. What did you talk about?

Mr. JOHNSTON. It was strictly a social call. I was no more interested in Mr. Griffin, or Mr. Griffin's activities—and Mr. Griffin's fight with the Governor is no part of mine. I had nothing to discuss with the Governor about Mr. Griffin.

Mr. HALLEY. At that time, did you talk with the Governor about the investigations being made in Miami?

Mr. JOHNSTON. I never discussed anything with the Governor. The only time that I ever discussed anything with the Governor along those lines was that at one time I told him that I thought that if the books were all closed it might help, you know, the racing business and help to handle things at the tracks.

Mr. HALLEY. You knew of the proposal to close up all the illegal bookies?

Mr. JOHNSTON. Yes, sir.

Mr. HALLEY. Did you advocate it to the Governor?

Mr. JOHNSTON. I didn't advocate anything to him. I told him that I thought that might be a good policy.

Mr. HALLEY. Did you ever suggest to him that he appoint Crosby to go down to Miami and close up the books?

Mr. JOHNSTON. I had nothing to do with the Governor's operations. I didn't think it was good policy for me, as a businessman, to take any part in politics, and I tried to stay away from it.

Mr. HALLEY. If so, why did you put all that money into it?

Mr. JOHNSTON. For the simple reason that I didn't intend to put it in. I told you I was trying to help a friend of mine and got hooked.

Mr. HALLEY. You certainly intended putting \$25,000 in, which was your original commitment.

Mr. JOHNSTON. I had hopes that I might get some of it back, but I doubted it very much.

Mr. HALLEY. Why did you get in for \$25,000 if it was your conviction that you should stay out of politics?

Mr. JOHNSTON. Well, I figured that he was a friend of mine, and a very close friend of mine, and if I couldn't help a friend of mine, why, if you can't help a friend, what good are you in this world?

Mr. HALLEY. So you put \$25,000 up, just to help a friend?

Mr. JOHNSTON. I intended to get part of it back. This agreement from the very start, Mr. Halley, was "if they get the money in here, and they know it is financed, we will get more contributions in."

Mr. HALLEY. Now, do you associate at all any connection between the fact that you were a very good friend of the Governor, that you were a very good friend of Bing Crosby's, that you were a very good friend of John Rush, that you thought the bookies should be closed, that you were a friend at least of Harry Russell?

Mr. JOHNSTON. I didn't say I was a friend of Harry Russell. I said I was an associate of Harry Russell.

Mr. HALLEY. But you knew him. Do you think any inference can be drawn that perhaps you had some connection with Crosby going down to Miami Beach and starting to close up bookies?

Mr. JOHNSTON. No, sir. I never discussed any of those State affairs with any of them.

Mr. HALLEY. While Crosby was in Miami Beach, he saw you several times?

Mr. JOHNSTON. Not only he but a lot of other people came to the track.

Mr. HALLEY. Thousands of people come to the track, but let's talk about the issue. Crosby was the Governor's appointee.

Mr. JOHNSTON. Yes.

Mr. HALLEY. He was somebody you had known for several years?

Mr. JOHNSTON. Yes.

Mr. HALLEY. You had known him quite well; hadn't you?

Mr. JOHNSTON. Yes; I had known him very well. He had come to the track.

Mr. HALLEY. You were a very good friend of Bing Crosby?

Mr. JOHNSTON. Well, a very good friend of Bing Crosby? I don't think we were personal friends. We didn't go back and forth to one another's homes. He used to come to the track. I would talk to him and say "Hello" to him.

Mr. HALLEY. You went out with him socially?

Mr. JOHNSTON. Well, I didn't go out with him socially. I have had lunch with him. I have had drinks with him. But I didn't—

Mr. HALLEY. You went to football games and other events with him?

Mr. JOHNSTON. We were very good friends.

Mr. HALLEY. You were very good friends.

Mr. JOHNSTON. That is right.

Mr. HALLEY. And you and the Governor were very good friends?

Mr. JOHNSTON. Very good friends. He was a good friend of the Governor's also.

Mr. HALLEY. And you at least knew Harry Russell?

Mr. JOHNSTON. I knew Harry Russell; yes.

Mr. HALLEY. And Russell then comes down to Miami; is that right? And you saw Russell during this period in Miami when Bing Crosby was there?

Mr. JOHNSTON. Yes; I seen Russell there.

Mr. HALLEY. And you saw Bing Crosby?

Mr. JOHNSTON. That is correct.

Mr. HALLEY. Did you ever discuss with either Russell or Crosby, either of them, the Crosby investigation?

Mr. JOHNSTON. No, sir.

Mr. HALLEY. Did Crosby tell you that Russell was tipping him off as to the places to raid?

Mr. JOHNSTON. We never discussed—I used to have a lot of those State employees come over there. They would say, "Bill, why don't you try and get me a raise?" Or "Why don't you get me a job?" Or "Why don't you do this?" I said, "I don't want anything to do with any of your troubles. I don't want any part of them." They wanted me to go on the patronage committee. I wouldn't go on it. Because if I do one thing, I get 15 people mad at me. And I stayed completely out of it altogether. I wouldn't discuss anything that they would come and try to talk with me about.

Mr. HALLEY. You are pretty well connected politically in the State of Florida; aren't you?

Mr. JOHNSTON. Well, I don't know what you mean by that.

Mr. HALLEY. You are a good friend of at least one of the judges of the supreme court; are you not?

Mr. JOHNSTON. I met him in the campaign; yes.

Mr. HALLEY. Judge Roberts?

Mr. JOHNSTON. Yes.

Mr. HALLEY. You contributed to Roberts' campaign, too; didn't you?

Mr. JOHNSTON. Roberts didn't run. He was appointed by the Governor.

Mr. HALLEY. Did Roberts contribute to the Governor's campaign?

Mr. JOHNSTON. I don't know.

Mr. HALLEY. In any event, you and Roberts are quite close friends.

Mr. JOHNSTON. We have been close friends; yes. I met Roberts through Governor Warren, and we have been quite good friends.

Mr. HALLEY. Do you know Sheriff Sullivan?

Mr. JOHNSTON. No. I have met Sullivan, but I wouldn't say that I am a very close friend of his.

Mr. HALLEY. You still see John Patton?

Mr. JOHNSTON. I do.

Mr. HALLEY. He is still associated with you in the various race tracks?

Mr. JOHNSTON. Not in the various race tracks; in Miami Beach, and in Tampa.

Mr. HALLEY. In the Kennel Club?

Mr. JOHNSTON. Yes.

Mr. HALLEY. You occasionally see him in Chicago?

Mr. JOHNSTON. I very seldom see him in Chicago. He is out on a farm about a hundred miles from Chicago, and when I am up here in the summertime I am up in Michigan, and I very seldom see him; only in the wintertime.

Mr. HALLEY. You talk back and forth on the phone often; don't you?

Mr. JOHNSTON. Once in a while, but not too often; no.

Mr. HALLEY. Oh, every few days perhaps?

Mr. JOHNSTON. I wouldn't say that; no.

Mr. HALLEY. Well, I see a phone call here in 1950. I see it on January 26.

Mr. JOHNSTON. That is in the wintertime. You asked about the summertime.

Mr. HALLEY. In the wintertime you talk quite often?

Mr. JOHNSTON. Oh, yes; in the wintertime we talk quite often.

Mr. HALLEY. But not in the summer?

Mr. JOHNSTON. Not in the summer.

Mr. HALLEY. I have no further questions.

Senator KEFAUVER. Mr. Johnston, just one or two questions.

This Russell's Bar, where you knew Mr. Russell—you knew that Mr. Pierce, Mr. Ralph Pierce, was upstairs?

Mr. JOHNSTON. No, sir.

Senator KEFAUVER. Did you say that you knew Mr. Pierce?

Mr. JOHNSTON. No; I never knew Mr. Pierce.

Senator KEFAUVER. You didn't know that he owned the building that Russell had his bar in?

Mr. JOHNSTON. Senator, Russell's Restaurant is a very popular restaurant in Chicago. Thousands of people go in there every day, and I used to go in there and eat. And that was all I did. I never knew who owned the building any more than I would know who owned any of these restaurants here.

Senator KEFAUVER. Did you have anything to do with Russell coming down to Florida?

Mr. JOHNSTON. Nothing whatsoever. Russell was in Florida for 3 or 4 years, as I understand it. And he has been coming to my track for 3 or 4 years. Russell has been coming to my track every night just as much for the last 3 years as this year. There has been no difference.

Senator KEFAUVER. Did you talk with him about coming to Florida?

Mr. JOHNSTON. I never talked with him. The only one I talked to in there was, as I made the statement before, when they wanted to start a restaurant, Mr. Fishman; but it never went through.

Senator KEFAUVER. Now, you have listed your salary from the Associated Outdoor Club, I believe, at \$15,000; and Miami Beach Kennel Club, \$15,000.

Mr. JOHNSTON. \$20,000, I think.

Senator KEFAUVER. Orange Park Kennel, 12 or 15.

Mr. JOHNSTON. Something like that; 12, I think.

Senator KEFAUVER. Jacksonville, about the same.

Mr. JOHNSTON. Yes.

Senator KEFAUVER. National Jockey, about 25, did you say?

Mr. JOHNSTON. That is correct.

Senator KEFAUVER. Then how about these dividends? These thirty-one or thirty-two-thousand-dollar dividends? Is that from these same outfits?

Mr. JOHNSTON. Yes, sir. I have got more dividends than that, sir.

Senator KEFAUVER. What do your dividends amount to?

Mr. JOHNSTON. I don't know, offhand.

Senator KEFAUVER. Well, your best approximate idea.

Mr. JOHNSTON. You see, between my wife and I—my wife owns some of this stuff, but we have filed a joint return this past few years. Previous to that we used to file them separately. I think the National Jockey Club paid \$20 or \$25 a share last year. So that is about \$26,000 from there. The Jacksonville Kennel Club paid \$30 or \$40. I would have to get it for you. But I think my income—I am getting into something else again, but I think my total income, with my salaries, net, has been running in the neighborhood of \$225,000 or \$250,000 a year. That is just my recollection. I would have to check. I think last year I had some capital gains of a little bit more, but I will have to check.

Senator KEFAUVER. It has been that way for several years?

Mr. JOHNSTON. Yes.

Senator KEFAUVER. What is the Eye in the Sky?

Mr. JOHNSTON. Well, the Eye in the Sky is a camera company that takes the photo finishes of all race tracks. I was the first one to originate the photo finish of a horse race. There was a fellow by the name of Harvey, from St. Petersburg, and I worked with him in the development of that and kept that company going since then.

Senator KEFAUVER. Does Mr. Patton own an interest in the Eye in the Sky?

Mr. JOHNSTON. No.

Senator KEFAUVER. Mr. John Rush was one of your stockholders in some of these companies?

Mr. JOHNSTON. That is correct; very small stockholder. If you will notice, there, whenever I bought a block of stock I used to let my friends around buy a few shares in it with me.

Senator KEFAUVER. Who is Violet Bidwell?

Mr. JOHNSTON. That is Charles Bidwell's widow.

Senator KEFAUVER. This H. H. Humphries: Who is that?

Mr. JOHNSTON. He is a doctor from Jacksonville, Fla.

Senator KEFAUVER. Now, you know Weldon Sterry very well, do you not?

Mr. JOHNSTON. Yes, sir.

Senator KEFAUVER. He is an attorney in—

Mr. JOHNSTON. In Tallahassee.

Senator KEFAUVER. What has been your connection with him?

Mr. JOHNSTON. I have only known him since he has been working with the Governor. I didn't know him before the campaign.

Senator KEFAUVER. How is it that you called him so often?

Mr. JOHNSTON. How did I call Weldon Sterry?

Senator KEFAUVER. Yes.

Mr. JOHNSTON. Well, for the simple reason that we had been to Tallahassee, and he was the Governor's secretary, and when I would go over there and wanted to talk to the Governor he would get him for me.

Senator KEFAUVER. He was the Governor's secretary?

Mr. JOHNSTON. Well, he was a sort of a Governor's aide, we will say.

Senator KEFAUVER. One of the contact men for the Governor?

Mr. JOHNSTON. I think he worked with the Governor. And if I wanted to talk to him, or something, I would get a message to him.

Senator KEFAUVER. Well, he does not still work for the Governor, does he?

Mr. JOHNSTON. What is that? Weldon Sterry?

Senator KEFAUVER. Yes.

Mr. JOHNSTON. Well, I don't think he works for the Governor; he is a friend of the Governor's.

Senator KEFAUVER. What did you want to talk with him about?

Mr. JOHNSTON. With who?

Senator KEFAUVER. Sterry.

Mr. JOHNSTON. Well, I would want him to tell the Governor that I was coming over to see him, or get a message to him.

Senator KEFAUVER. He was not actually employed by the Governor. He was just a friend of the Governor's, was he not?

Mr. JOHNSTON. That is right.

Senator KEFAUVER. But he was your go-between? For the Governor and you?

Mr. JOHNSTON. I wouldn't say he was.

Senator KEFAUVER. He was your go-between with the Governor?

Mr. JOHNSTON. In other words, I wouldn't know whether the Governor would be at home. And if he didn't answer telephone calls, I would let him know.

Senator KEFAUVER. What would be your idea in wanting to see the Governor so much? You said you were not interested in anything.

Mr. JOHNSTON. Well, for 15 years there wasn't a day that he was in town that I didn't get together with him some time during the day and have maybe a Coca-Cola or some coffee together. If there were any of those days that went by, they were few. We were very close friends. He was one of the closest friends I had. And I didn't think because of the fact that he became the Governor that friendship should go away.

Senator KEFAUVER. Did Sterry ever represent you as your lawyer, or any of your interests?

Mr. JOHNSTON. Did Sterry ever represent me? I don't believe so.

Senator KEFAUVER. Did you know that Sterry represented Crosby in the hearing down in Miami?

Mr. JOHNSTON. No, sir; I did not.

Senator KEFAUVER. You had not been advised about that?

Mr. JOHNSTON. No, sir.

Senator KEFAUVER. Sterry was a partner of Mr. Roberts, I believe, was he not?

Mr. JOHNSTON. If he was, I didn't know it.

Senator KEFAUVER. Or a law associate, or something?

Mr. JOHNSTON. He may have been, but I never knew it. You see, Mr. Sterry I didn't meet until after the Governor was inaugurated, over there in Tallahassee.

Senator KEFAUVER. Now, do you know Mr. Grenada?

Mr. JOHNSTON. Who?

Senator KEFAUVER. Mr. Grenada, a representative in the legislature in Chicago.

Mr. JOHNSTON. I know of him. I don't know him very closely; no.

Senator KEFAUVER. Well, you have called him on the telephone, haven't you?

Mr. JOHNSTON. No; I have never called him.

Senator KEFAUVER. You didn't call him in January 1950?

Mr. JOHNSTON. No, I don't think so. I may have called Jack Grenada, who is not a member of the legislature, but who is the auditor of the National Jockey Club. That may have been the call.

Senator KEFAUVER. J. C. Grenada? Which is he?

Mr. JOHNSTON. That is he. He is a certified public accountant in the city of Chicago.

Senator KEFAUVER. Is he a brother of the State representative?

Mr. JOHNSTON. I think so.

Senator KEFAUVER. Were you interested in any legislation in the Illinois legislature last year?

Mr. JOHNSTON. No, sir.

Senator KEFAUVER. You didn't discuss a bill with anybody?

Mr. JOHNSTON. No, sir.

Senator KEFAUVER. A bill that was pending?

Mr. JOHNSTON. No.

Senator KEFAUVER. Did you know there was a bill pending about trying to have grand juries in the State of Illinois longer than 30 days?

Mr. JOHNSTON. No, sir.

Senator KEFAUVER. You did not have any contact about that?

Mr. JOHNSTON. No, sir.

Senator KEFAUVER. Now, you said you knew Jack Guzik, Mr. Johnston?

Mr. JOHNSTON. I didn't say I knew him.

Senator KEFAUVER. Oh, you said you did not?

Mr. JOHNSTON. I said I did not know him.

Senator KEFAUVER. You said you knew he had some connection with Hawthorne Kennel Club?

Mr. JOHNSTON. No; I didn't.

Senator KEFAUVER. I thought that you said that Patton and——

Mr. JOHNSTON. I said I had met him one day at the Hawthorne Race Track.

Senator KEFAUVER. That Patton and O'Hare and Guzik were associated together in the Hawthorne Kennel Club, and that Hawthorne was the predecessor of Sportsman's Park.

Mr. JOHNSTON. I think Mr. Halley said that. I didn't.

Senator KEFAUVER. Well, how well did you know Mr. Guzik? You just met him?

Mr. JOHNSTON. I met him once in a while at the Hawthorne Race Track. This isn't the Kennel Club. It is the race track, in Chicago.

Senator KEFAUVER. Yes; that is right, the Hawthorne Race Track.

Mr. JOHNSTON. That is the only time I have ever seen him.

Senator KEFAUVER. Was he one of the promoters of the Sportsman's Race Track?

Mr. JOHNSTON. Never, as far as I knew.

Senator KEFAUVER. Do you know Louie Greenberg?

Mr. JOHNSTON. I have met Louie Greenberg.

Senator KEFAUVER. Where did you meet him?

Mr. JOHNSTON. I met Louie Greenberg at the races, and I met him, I think, at some fights once. And I met him on an airplane one time.

Senator KEFAUVER. Have you had any business dealings with him?

Mr. JOHNSTON. None whatsoever.

Senator KEFAUVER. Paul Ricca?

Mr. JOHNSTON. I never heard of him.

Senator KEFAUVER. Charlie Berend? Do you know him?

Mr. JOHNSTON. No.

Senator KEFAUVER. Senator Wiley, do you have any questions to ask?

Senator WILEY. I am very sorry I was not here yesterday, and so I will only ask one or two questions.

What was the total amount of money that you really donated to the Governor's campaign fund; you, yourself?

Mr. JOHNSTON. \$40,000, approximately.

Senator WILEY. And that you said you got out of your strong box?

Mr. JOHNSTON. Yes, sir.

Senator WILEY. Did anyone else contribute toward that \$40,000?

Mr. JOHNSTON. No, sir.

Senator WILEY. Was there any requirement under the Florida statute that when you would pay over a certain amount you would have to personally make the returns?

Mr. JOHNSTON. No, sir.

Senator WILEY. And the purpose of this \$40,000 was simply that you felt that through an association of 15 years you were simply helping a friend out?

Mr. JOHNSTON. No; the purpose of that \$40,000 was to keep my word. I had promised to help underwrite the campaign. And it was keeping my word, that I gave possibly the \$40,000 under.

Senator WILEY. I understood you to say, however, that back of giving your word was the fact that you were helping a friend of his.

Mr. JOHNSTON. That is correct.

Senator WILEY. And you had no expectation of any return of whatever nature for what you were doing?

Mr. JOHNSTON. No, sir.

Senator WILEY. As to these others that contributed, how did you happen to give your word that you would go into this undertaking?

Mr. JOHNSTON. As I said yesterday, Mr. Griffin and Mr. Wolfson called upon me and asked me if I would help underwrite this campaign fund. They said it was awfully hard to get money for a campaign that they thought wasn't properly financed, but that if we could put up \$25,000 apiece into the campaign fund they could say that the campaign was well financed, and we would then get a lot of contributions, and we might possibly get some of our \$25,000 back. As it was, it was just the opposite. Someone had sent out a statement, as I understand—because I didn't take an active part in this campaign. I told them at the time that I didn't want to take an active part, that I wanted to help my friend, but I wanted to stay in the background.

Senator WILEY. This money was turned over, I presume, to a campaign committee.

Mr. JOHNSTON. Yes, sir.

Senator WILEY. And you know nothing about its disposal?

Mr. JOHNSTON. No. I believe that this campaign treasurer has the records.

Senator KEFAUVER. Mr. Fant testified before the committee.

Where do you stay when you are at Miami, Mr. Johnston?

Mr. JOHNSTON. At the Miami Beach Kennel Club.

Senator KEFAUVER. You know Abe Allenberg quite well?

Mr. JOHNSTON. I do; yes.

Senator KEFAUVER. In what connection have you known him?

Mr. JOHNSTON. Strictly social. Abe has always been a pretty good fellow around the beach there.

Senator KEFAUVER. You never stay at the Wofford Hotel?

Mr. JOHNSTON. At the Wofford Hotel?

Senator KEFAUVER. Yes.

Mr. JOHNSTON. I think I stayed there once; yes. But that would be in the summer time, or off season, when my apartment was closed up.

Senator KEFAUVER. Did you stay at the Boulevard after he moved over there?

Mr. JOHNSTON. I may have, if my apartment was closed up. But I never stayed there when my apartment was open.

Senator KEFAUVER. Well, whenever your apartment was closed, what hotel did you usually stay at when you went to Miami Beach?

Mr. JOHNSTON. Well, different hotels. I have stayed at the Saxony. If it was hot weather, I would go there, since it has been air conditioned. If it was cooler weather, I don't know. I may have stopped in those hotels. I don't have any one that I stopped at usually, no definite place.

Senator KEFAUVER. Do you have an interest in Tropical Park?

Mr. JOHNSTON. None.

Senator KEFAUVER. You never have had an interest in Tropical Park?

Mr. JOHNSTON. Never.

Senator KEFAUVER. Mr. Johnston, I believe that is all we care to ask you at this time. And if you would cooperate with us in connection with your records, within the next 10 days, we would appreciate it.

Mr. JOHNSTON. Senator, I will be happy to cooperate with you at any time you call on me.

Senator KEFAUVER. And you will be available for any further call that we may want to make on you?

Mr. JOHNSTON. I will be, for any future call. And I would like to at this time put on the record, you know, where you could contact me, because at different times I am at different places, and I wouldn't like it to be said that you went to Jacksonville and couldn't find me, and have that go on the record.

Senator KEFAUVER. All right, sir. We will see you and get your addresses in different places. You might as well put them on the record. Where can you be contacted?

Mr. JOHNSTON. Well, my summer home is Box 466, Saugatuck, Mich. I am there until Labor Day. I go back and forth from Chicago. When I am in Chicago, my Chicago office during the summertime is the National Jockey Club. They will be able to contact me within 24 or maybe 48 hours in the summertime. In the summertime those race tracks in Florida are all closed up, and they have all gone away, because they only operate in the wintertime. You wouldn't never be able

to find me there. And my home is closed up in the summertime. That is the reason I am making this statement, because if you would call my office in Jacksonville you would get no information there. You would just find the watchman there.

Senator KEFAUVER. Are there any other addresses?

Mr. JOHNSTON. No. In the wintertime, you can get me at my home in Jacksonville.

I am going to be in Florida next week, Monday and Tuesday. I have got a hearing down there.

Mr. HALLEY. In that case I would like to arrange, while you are in Florida, for somebody to pick up those records.

Mr. JOHNSTON. All right. What date do you want?

Mr. HALLEY. Where can we reach you in Florida, on either Monday or Tuesday?

Mr. JOHNSTON. I will be in Miami. I will have to go to Jacksonville and dig those up.

Mr. HALLEY. At what hotel can we reach you?

Mr. JOHNSTON. At the Saxony.

Mr. HALLEY. On Monday and Tuesday of next week?

Mr. JOHNSTON. That is right.

Senator KEFAUVER. Thank you, Mr. Johnston.

The committee is going to have an executive session, and we will end the hearing for today.

(Whereupon, at 4 p. m., the public hearing was adjourned, subject to call of the chairman, and the committee proceeded into executive session.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

TUESDAY, SEPTEMBER 19, 1950

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED
CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The committee met, pursuant to call, at 2:45 p. m., in room 457, Senate Office Building, Senator Estes Kefauver, chairman, presiding.

Present: Senators Kefauver, O'Connor, Tobey, and Wiley.

Also present: Rudolph Halley, chief counsel; Harold G. Robinson, associate counsel; and Alfred Klein, assistant counsel.

The CHAIRMAN. The hearing will come to order. The chairman—and I am sure I speak for the other members of the committee and the staff—welcome back into the fold, after 2 or 3 weeks' sojourn, our distinguished colleague from New Hampshire. He has promised to continue his very faithful service to this committee.

Is Mr. Russell here? Mr. Russell, do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RUSSELL. I do.

TESTIMONY OF HARRY RUSSELL, MIAMI BEACH, FLA.

The CHAIRMAN. Sit down right over there, Mr. Russell.

Mr. HALLEY. What is your full name, Mr. Russell?

Mr. RUSSELL. My full name is Harry Russell.

Mr. HALLEY. Have you ever been known by any other names?

Mr. RUSSELL. Yes.

Mr. HALLEY. What are they?

Mr. RUSSELL. My legal name is Harry Russell.

Mr. HALLEY. What other names have you been known by?

Mr. RUSSELL. No other. My birth name was Harry Weinstein.

Mr. HALLEY. Harry Weinstein?

Mr. RUSSELL. Yes, sir.

Mr. HALLEY. Any other names?

Mr. RUSSELL. No, sir.

Mr. HALLEY. You have never used any name except Harry Weinstein and Harry Russell?

Mr. RUSSELL. Not that I recall.

Mr. HALLEY. How long have you been known as Harry Russell?

Mr. RUSSELL. Since I came—before I went to the Army in 1917.

Senator WILEY. Talk into that so we can hear you.

Mr. HALLEY. Were you ever arrested?

Mr. RUSSELL. Never.

Mr. HALLEY. Were you ever convicted of a crime?

Mr. RUSSELL. No, sir.

Mr. HALLEY. What is your address?

Mr. RUSSELL. I beg your pardon?

Mr. HALLEY. What is your address? Where do you live?

Mr. RUSSELL. I previously lived at 4415 Post Avenue in Miami Beach. I now live at the Town House Hotel in Miami Beach.

Mr. HALLEY. The Town House?

Mr. RUSSELL. Yes.

Mr. HALLEY. You were previously at 4415 Post Avenue?

Mr. RUSSELL. Yes, sir.

Mr. HALLEY. Do you have any other residence in any other place?

Mr. RUSSELL. In any other town; no, sir.

Mr. HALLEY. Mr. Russell, on July 8, 1950, did you see a lawyer named Luis Kutner?

Mr. RUSSELL. I don't recall just what day it was.

Mr. HALLEY. Did you see such a lawyer in Chicago?

Mr. RUSSELL. He saw me. I didn't see him.

Mr. HALLEY. Where did you see him?

Mr. RUSSELL. In my accountant's office.

Mr. HALLEY. Who is your accountant?

Mr. RUSSELL. William J. Brantman, B-r-a-n-t-m-a-n. I am not sure about that. Bill Brantman.

Mr. HALLEY. Where is Brantman's office?

Mr. RUSSELL. Chicago, on La Salle Street. I wouldn't remember.

Mr. HALLEY. Who was present when you met Kutner? Was Mr. Brantman present?

Mr. RUSSELL. Yes.

Mr. HALLEY. Was anybody else present?

Mr. RUSSELL. No.

Mr. HALLEY. Had you previously known Kutner?

Mr. RUSSELL. I had never known the man before in my life.

Mr. HALLEY. Who introduced you to Kutner?

Mr. RUSSELL. Brantman.

Mr. HALLEY. Did Brantman suggest that you see Kutner?

Mr. RUSSELL. Oh, yes.

Mr. HALLEY. On July 19, 1950, this committee when in Florida, received a telegram purported to come from Harry Russell, which reads:

Luis Kutner is not my lawyer and never has been. His release to the press in the form of a letter to Mr. Rudolph Halley, chief counsel for the Senate Crime Investigating Committee, is a complete fabrication wherein he states that I told him I feared facing the committee because of the Binaggio case, giving the impression to the public that I was in fear of my life if I testified. Nothing is further from the truth. His very statement is an inconsistency in fact and legal conduct; could he be my lawyer and at the same time propose to act for the committee in serving a subpoena on me? His actions could not be called sympathetic to a client wanted in connection with a crime investigation when he was holding a subpoena calling for my appearance. I would rather call him an agent of Mr. Halley, or a lawyer seeking publicity at my expense.

HARRY RUSSELL.

Did you send such telegram to this committee?

Mr. RUSSELL. Yes, sir.

Mr. HALLEY. Addressed to the Honorable Estes Kefauver?

Mr. RUSSELL. Yes, sir.

Mr. HALLEY. Do you still state that Luis Kutner was never your lawyer?

Mr. RUSSELL. That is true, very true.

Mr. HALLEY. He never legally represented you?

Mr. RUSSELL. That is right.

Mr. HALLEY. So any statement you made to Mr. Kutner would not be privileged?

Mr. RUSSELL. I beg your pardon. I don't get that.

Mr. HALLEY. You understand that there is a certain privilege between an attorney and a client. Is it your position that there can be no privilege that Mr. Kutner would have?

Mr. RUSSELL. I never at any time hired Kutner for an attorney.

Mr. HALLEY. So anything you told Kutner—

Mr. RUSSELL. Or gave him any fee of any kind.

Mr. HALLEY. You made no confidential revelations to him?

Mr. RUSSELL. That is right.

Mr. HALLEY. When you sent that telegram to the committee you did not include your address or any return address, is that right?

Mr. RUSSELL. That is right.

Mr. HALLEY. At that time you knew that this committee was seeking to serve a subpoena on you, did you not?

Mr. RUSSELL. That is right.

Mr. HALLEY. It appeared in the newspapers, did it not?

Mr. RUSSELL. That is right.

Mr. HALLEY. You sent this telegram I believe from Chicago.

Mr. RUSSELL. That is right.

Mr. HALLEY. Had you seen the Chicago papers saying that the committee sought your attendance?

Mr. RUSSELL. I am sorry, sir, I didn't hear you.

Mr. HALLEY. Had you seen the Chicago newspapers saying that the committee expected you to attend?

Mr. RUSSELL. Oh, I—

The CHAIRMAN. It was evident to you that we were looking for you and wanting you to attend.

Mr. HALLEY. Mr. Kutner told you that we had a subpoena for you, is that right?

Mr. RUSSELL. Mr. Kutner had a subpoena for me and I wanted to go down to Florida to answer the subpoena. He had no license to give me any subpoena.

Mr. HALLEY. Why didn't you come to Florida?

Mr. RUSSELL. I refuse to answer that question on the ground that the answer may incriminate me.

Mr. HALLEY. That is no excuse. Is it your position that the answer would incriminate or tend to incriminate you?

Mr. RUSSELL. Would tend to incriminate me, sir.

Mr. HALLEY. Under any Federal law?

Mr. RUSSELL. No; I wouldn't say under any Federal law.

Mr. HALLEY. I advise you that you have no privilege that protects you from answering a question that might tend to incriminate you except under Federal law.

Mr. RUSSELL. May I ask a question? Are you Mr. Halley?

Mr. HALLEY. Yes.

Mr. RUSSELL. I have no lawyer and I haven't any legal mind, but I must have some kind of right, haven't I?

Mr. HALLEY. You have a right to refuse to answer any questions that would tend to incriminate you under a Federal law.

The CHAIRMAN. Mr. Russell, who is your lawyer? Do you have a lawyer in town?

Mr. RUSSELL. No, sir; I haven't. I would like to get one now that I see the set-up here.

Mr. HALLEY. You expected to be questioned here today, did you not?

Mr. RUSSELL. Yes; and I wanted to answer to the best of my ability.

Mr. HALLEY. In fact, you surrendered and accepted service of the subpoena in the offices of Ben Cohen, the attorney for the S. & G. Syndicate?

Mr. RUSSELL. I didn't bring him down. I didn't think it was necessary. I thought it was an executive session. I understood it so.

Mr. HALLEY. Mr. Cohen was told that it would be a public session.

Mr. RUSSELL. He didn't tell me.

The CHAIRMAN. Anyway, Mr. Russell, the committee doesn't expect to ask you any questions that you should not answer that would violate your privilege, but the question Mr. Halley asked, I think I should advise you, unless it would tend or would incriminate you in connection with a Federal offense as distinguished from a State charge, you will be required to answer. Of course, if you want to stand on that, all right, but that is the law.

Mr. RUSSELL. Mr. Chairman, I would like to stand on that. I decline to answer.

The CHAIRMAN. Then let us have the record show very clearly the nature of the question. We will have the reporter read the question again so it will be very clear.

(The reporter read the question and answer, as follows:)

Mr. HALLEY. Why didn't you come to Florida?

Mr. RUSSELL. I refuse to answer that question on the ground that the answer may incriminate me.

The CHAIRMAN. Let's reframe the question.

Mr. RUSSELL. Senator Kefauver, may I ask again, did I answer that the way I should answer it in the legal phrase? I have no attorney. I am asking one of you gentlemen.

The CHAIRMAN. We understand you are not an attorney, Mr. Russell.

Mr. HALLEY. May I interpose, the witness is affecting an ingenuousness in his answers which creates the problem that throughout this examination in the event important matters are developed, the witness will always have the retreat, the point that he had no lawyer present. I believe I would like to take the position as counsel examining this witness that if he wants to have counsel representing him, he should have a reasonable opportunity to get such counsel, although I think he is in default in not having provided himself with counsel before his appearance here right now.

Mr. RUSSELL. Mr. Halley—

The CHAIRMAN. Mr. Russell, the opinion of the Chair is that you would be subject to Senate contempt for refusing to answer the question that has been asked you. Of course you are a layman, and we want you to have every right that you want and have every right that you are entitled to. We take the position that in your appearance before his committee if you want an attorney you are entitled to have one. While you have inconvenienced the committee a great deal by coming here without your attorney when you should have anticipated that you would be asked questions which you were going to refuse to answer on the ground that it might or would incriminate you, you should have had legal representation here.

If you want an opportunity, a day, to get your attorney to advise with you on these matters, we will give you that opportunity, Mr. Russell.

Mr. RUSSELL. When would that be, Mr. Kefauver?

The CHAIRMAN. What is that?

Mr. RUSSELL. When would I have to come back? I don't know when I could get my attorney here or an attorney. I would like to look around.

The CHAIRMAN. We would like to carry on the session tomorrow if you can get an attorney in the meantime or can advise with an attorney.

Mr. RUSSELL. Well, sir, tomorrow is a holiday. The attorney that I might want to get may not want to be here tomorrow. Is that true, Mr. Halley?

Mr. HALLEY. I don't know what attorney you want to get. I have no way of knowing.

Mr. RUSSELL. I don't want to duck or hide behind anything, Mr. Halley and Senator Kefauver. I don't think that I don't have any rights.

The CHAIRMAN. That is the reason we are trying to give you a chance to get an attorney to advise you of your rights, if you want to get one. If you are going to refuse to answer certain questions, you should have had an attorney here to advise you, Mr. Russell. We don't want to put you in the position of not knowing whether you have a right to stand on certain refusals to answer or not. It is the opinion of the Chair that your refusal to answer Mr. Halley's last question places you in contempt of the Senate. You do not have an attorney here and we want to give you an opportunity of advising with one. The Chair has in mind recessing the meeting until 10 o'clock tomorrow if you will advise with one.

Mr. RUSSELL. I doubt whether I could get an attorney in that short a time.

Mr. HALLEY. Mr. Chairman, I think the witness' point is that Thursday is the Jewish high holy day, Yom Kippur, and it begins at sundown tomorrow. I think he feels that he could not get the attorney he wishes to represent him tomorrow. Whether that is so or not, I don't know. Thursday is a holiday.

Mr. RUSSELL. I don't particularly care to hide behind anything like that. If I get in trouble, let's go on. I think I have some rights as an American. I must have some kind of a right.

Mr. HALLEY. You had better find out what it is.

Mr. RUSSELL. I know I am up here arrayed against a lot of legal talent.

The CHAIRMAN. Will you have your attorney here Thursday?

Mr. RUSSELL. I will try. Could you delay it a week or so, Senator?

The CHAIRMAN. No.

Mr. RUSSELL. Then let's go on.

The CHAIRMAN. We have delayed a long time, Mr. Russell, trying to find you.

Mr. RUSSELL. I feel that that question, if the answer would tend to incriminate me—

The CHAIRMAN. Mr. Russell, if you want to get an attorney we will recess this meeting and you will stand under subpoena until 10 o'clock Friday. We leave the matter with you. You must tell your attorney and you must understand that if it is carried over until 10 o'clock Friday there will be no further continuance, that you will be expected to testify at that time. I feel for your own good you should get yourself an attorney to advise you.

Mr. RUSSELL. I don't know. If any attorney would advise me to answer that question, I believe my answer would be the same, sir.

The CHAIRMAN. I am not advising you to answer it or not to answer it. I can only say that the chairman will recommend to the committee that you be cited for contempt of the Senate in case you did not answer it. What the committee would do I don't know, but I think under all the circumstances probably it would be well for you to get an attorney and to appear here at 10 o'clock on Friday. You will stand under subpoena until that time and be here at 10 o'clock.

The meeting will be recessed until 10 o'clock on Friday.

(Whereupon, at 3:10 p. m. the hearing was recessed until 10 a. m. Friday, September 22, 1950.)

INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

FRIDAY, SEPTEMBER 22, 1950

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The committee met, pursuant to recess, at 10:15 a. m., in room 457, Senate Office Building, Senator Estes Kefauver (chairman), presiding.

Present: Senators Kefauver, Tobey, and Wiley.

Also present: Rudolph Halley, chief counsel; Harold G. Robinson, associate counsel; and Alfred Klein, assistant counsel.

The CHAIRMAN. The committee will come to order.

Before proceeding with hearing Mr. Russell, I wish to say, that in the first place, the members of the Senate committee are delighted that the house of delegates of the American Bar Association voted without opposition to instruct the president of the American Bar Association to appoint a commission to be composed of seven members to assist and cooperate with, and to advise with the members of the Senate committee.

We have been advised and it is carried in the press this morning that former Secretary of War, Robert Patterson, a distinguished New York attorney, is to be chairman of that commission. The committee welcomes his assistance. We welcome the confidence that has been shown in our committee by the appointment of this commission of the American Bar Association. Senator Wiley and I have been discussing the matter, and we will invite Secretary Patterson and his commission to meet with us at the very earliest possible time to outline a program of cooperation, and to set up the means of working together with this commission.

We will of course welcome their assistance, their suggestions, and we think that by joining our efforts with this distinguished group, we can do much toward better law enforcement, and toward taking some steps to thwart organized crime in interstate commerce.

Senator Wiley, do you wish to make any comment in connection with the American Bar Association commission before we proceed?

Senator WILEY. I think it indicates quite clearly that the American Bar is conscious of the challenge that exists in this country to the very safety of the Nation. I was up there yesterday with one of the groups, and I was very much impressed with the tremendous sincerity of this fine group of citizens, who realize that if we remain a Nation of law and order, we have to have the cooperation of all groups in this country. They not only recognize the impact of foreign "isms" on

the integrity of the country, but also the impact of the deteriorating forces that we are seeking to investigate here.

I am very happy to note on this very commission is one of Wisconsin's distinguished citizens, Phillip Haberman, executive secretary of the Wisconsin Bar Association at Madison, who will be present. I am sure, on all occasions, and lend his ability to see if we can find a solution to the challenges which really affect our Nation, and the social, economic, and political health of our society. I am indeed grateful that the bar again has indicated its high standard of service.

The CHAIRMAN. Thank you, Senator Wiley.

Since you have gotten into the matter of members from the State of Wisconsin, I think I would be missing an opportunity if I did not mention the fact that the State of Tennessee also has a distinguished lawyer who has been named to this commission, Walter P. Armstrong, Jr., of Memphis. Mr. Armstrong's father was president of the American Bar Association a few years ago. He was a very distinguished Tennessee lawyer, and his son is a very capable man in his field.

The chairman also wishes to announce that over a period of several weeks the staff of the committee has been investigating very important interstate gambling transactions of substantial magnitude in northern New Jersey, which has interesting connections, according to our preliminary investigation.

In that connection the staff of the committee has been serving subpoenas on quite a number of people who are alleged to have connections with this operation and has succeeded in serving subpoenas on some well-known alleged racketeers who we find from our preliminary investigation were connected with this operation.

After diligent effort, the committee staff has not been able to serve subpoenas on Joe Adonis, sometimes known as Joe Doto, and Jerry Catena. Apparently these two witnesses, who are important witnesses in the matter that is under investigation, are avoiding service of subpoena. There is a possibility that they may not have been advised that they were being sought by the committee, and in order that they may be advised, I do hope that the press and the radio will let it be known that the committee wishes these two men, Joe Adonis and Jerry Catena, in connection with this investigation.

A hearing will be held on this matter just as soon as we can work out our schedule to take care of it. We have some other obligations that must come first.

FURTHER TESTIMONY OF HARRY RUSSELL, MIAMI BEACH, FLA.

Mr. Russell, you have been sworn, and although the committee has gone to some inconvenience by being unable to let you in earlier to testify, we were happy to recess the meeting over for several days in order to enable you to get counsel if you wished. Do you have counsel, Mr. Russell, today?

Mr. RUSSELL. I haven't counsel, Mr. Chairman.

The CHAIRMAN. Let us take any pictures right now, and then we will go on.

You are here ready to testify, and you have had an opportunity of getting counsel?

Mr. RUSSELL. That is right.

The CHAIRMAN. All right. Mr. Halley, will you proceed?

Mr. HALLEY. Mr. Russell, when the hearing closed on Tuesday—are the photographers bothering you?

Mr. RUSSELL. Yes, they are.

The CHAIRMAN. All right, let us take any pictures right during the next minute or two, and then in deference to the proceedings I will ask you to desist.

Mr. HALLEY. Now, Mr. Russell, when the hearing closed last Tuesday the question to you was: Why did you fail to come to Florida to appear before this committee when you knew that the committee was seeking your attendance? Will you answer that question?

Mr. RUSSELL. I decline to answer that question on the grounds that the answer may incriminate me.

Mr. HALLEY. I advised you, too, that is no excuse, Mr. Russell. Have you in mind any Federal basis of prosecution that would result from your answering that question?

Mr. RUSSELL. I decline to answer that question on the grounds that the answer may tend to incriminate me, Federal and State.

Mr. HALLEY. You contend that the answer would tend to incriminate you?

Mr. RUSSELL. May tend to incriminate.

Mr. HALLEY. Do you say it would tend to incriminate you?

Mr. RUSSELL. It may tend to incriminate me.

The CHAIRMAN. Let us make the record. The Chair rules that you have no right to decline to answer that question. We have given you every opportunity of getting counsel. So you must be advised of the circumstances and what may result as a result of your not answering questions which we think we have a right to ask you.

To make the record, Mr. Halley, the counsel for the committee in the opinion of the Chair, is correct in his interpretation that you have no right to refuse to answer that question.

Mr. Russell, we try in this committee to see that the rights of people are protected. The chairman and members of the committee may be incorrect in their ruling on the question asked by the counsel. Counsel has the same attitude of not wanting to ask questions which you should not be required to answer. We will do our best to try to see that no questions are asked you that are not proper questions, but you must be advised that the refusal to answer proper questions will not be treated lightly by the committee.

Proceed, Mr. Halley.

Mr. HALLEY. I take it you persist in your refusal to answer, Mr. Russell?

Mr. RUSSELL. I don't just get that.

Mr. HALLEY. Do you still refuse to answer?

Mr. RUSSELL. I decline to answer that question on the ground that it may incriminate me, yes.

Mr. HALLEY. Two months later you decided that you would accept service of this committee's subpoena, is that right? You are here today.

Mr. RUSSELL. Yes.

The CHAIRMAN. Speak up so we can hear you.

Mr. RUSSELL. Yes.

Mr. HALLEY. Is there any change in conditions that made you decide 2 months later that you would come in here and appear before this committee?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. Is it not a fact, Mr. Russell, that when this committee first sought to have you appear, you did confer with Luis Kutner, a Chicago lawyer?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. I want to warn you again that your declining to answer each of the questions as you have just declined is improper. You have not shown the committee any possibility, even a remote possibility, that the answers to those questions might be connected with the possibility of your being incriminated under any law of the United States.

Mr. RUSSELL. My position is still the same.

Mr. HALLEY. As a matter of fact, you haven't shown that you would even be incriminated under any law of any State with regard to those questions. Do you still persist in your answer?

Mr. RUSSELL. I do.

The CHAIRMAN. You say you do?

Mr. RUSSELL. Yes, sir. I decline to answer any question that may tend to incriminate me in any court.

Mr. HALLEY. We understand.

Is it not a fact that before deciding whether you would appear before this committee last July, you went to see Jake Guzik to discuss with him whether or not you would appear?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. Do you know Jake Guzik?

Mr. RUSSELL. I decline to answer that question on the same ground.

Mr. HALLEY. I advise you again that your answer to the last two questions in the opinion of counsel to this committee are arbitrary and capricious and are not based on any proper and sincere view that you might be incriminated or would be incriminated under any law, State or Federal. Are you aware of that?

Mr. RUSSELL. Is that in the form of a question?

Mr. HALLEY. That is in the form of advice. I want to know if you understand my advice to you. You are aware of what I am telling you, that the committee considers your answers to be arbitrary?

Mr. RUSSELL. I am listening to you.

Mr. HALLEY. You hear me, do you?

Mr. RUSSELL. Yes, sir.

Mr. HALLEY. Fine.

Senator WILEY. Is the answer you have given based on a sincere feeling that you will incriminate yourself or that you are afraid that you might be committing suicide?

Mr. RUSSELL. Well, I would like to get that question again, Senator.

Senator WILEY. Read the question.

(Question read.)

Mr. RUSSELL. It is based on a sincere feeling that I will incriminate myself.

Senator WILEY. Do you think you might be incriminating someone else?

Mr. RUSSELL. I am not concerned with someone else at this minute, sir. I am just concerned with myself.

Senator WILEY. Have any threats of violence been made against you?

Mr. RUSSELL. No.

Senator WILEY. Have you consulted with anyone since you were last in this room some 3 days ago?

Mr. RUSSELL. I decline to answer that question for the same reason as previously indicated.

Senator WILEY. Your refusal to answer is going to be interpreted by many people as meaning that you prefer to go to jail because of contempt citation of Congress rather than to face the music insofar as some of your associates are concerned. What do you think of that conclusion?

Mr. RUSSELL. Senator, it isn't what I think. I think I have some rights in this good old land of ours.

Senator WILEY. Are you a citizen of this great country?

Mr. RUSSELL. I should say I am. I fought in the war of 1918.

Senator WILEY. If you fought in the war of 1918, do you not think you owe some responsibility to this country to see to it that the criminal guys, the bigsters in crime, do not termitize this Nation?

Mr. RUSSELL. I don't think, Senator, that I have committed any crime.

Senator WILEY. That is not my question. I am asking whether now that you have fought for this country, whether you do not feel that you owe some obligation to preserve this country from infiltration by crimesters, those termites that would really destroy the citadel? If you fought for this country, why don't you fight for her now?

Mr. RUSSELL. I believe that I have some rights.

Senator WILEY. Do you not realize that while you have rights, also there is a right to serve the Nation, to preserve its integrity?

Mr. RUSSELL. There is a right to serve the Nation, and I am always willing to serve the Nation, and I am willing to serve this body to the best of my ability, but I positively refuse to incriminate myself. I believe I have that right.

Senator WILEY. That is, you think there are two loyalties involved now, one to yourself and one to the Nation——

Mr. RUSSELL. I believe that is what the Constitution says.

Senator WILEY. What is that?

Mr. RUSSELL. I believe the Constitution says that we have that right.

Senator WILEY. Who informed you of that?

Mr. RUSSELL. I have been reading it ever since I have been a boy, since I went to the first grade.

Senator WILEY. Let us go back to the original proposition. Apparently you served in the war of '98?

Mr. RUSSELL. No, sir; don't take me back that far.

Senator WILEY. 1918.

Mr. RUSSELL. Yes, sir.

Senator WILEY. I thought you were out with Teddy. Instead of that you were out with F. D. R.

Mr. RUSSELL. My dad was out with Ted.

Senator WILEY. We are talking about two loyalties. You fought for the Nation, and apparently your idea there was to preserve the Nation from the attack from without.

Mr. RUSSELL. And I will do it again.

Senator WILEY. According to what you heard this morning the bar association recognizes there is an attack from within. They are going to cooperate with us. Why can you not cooperate with us?

Mr. RUSSELL. Senator, I am trying to cooperate with this body, but if I am to cooperate with this body and incriminate myself, I don't believe that is right.

Senator WILEY. Do you realize that in fact by refusing to testify you are impeding the processes of the United States Congress?

Mr. RUSSELL. I refuse to answer that question for the same reason, sir.

Senator WILEY. Do you think it proper to sabotage the legislative processes as you are doing here?

Mr. RUSSELL. I refuse to answer that for the same reason.

Senator WILEY. Have any threats of violence or force been made against you if you did testify?

Mr. RUSSELL. No, sir.

Senator WILEY. Before you became the sixth member of the S. & G. Syndicate, it seems that just by coincidence the racing wire services were cut. We interpret that as pressure of Chicago mobs to force the Miami group to admit you.

Do you know anything about the cutting of that wire service to the Miami group?

Mr. RUSSELL. I refuse to answer that question on the ground that it may incriminate me.

Senator WILEY. Do you know anything about threats of violence which might have been made to the S. & G. Syndicate, Miami, unless it took you in as the sixth partner?

Mr. RUSSELL. I decline to answer that question.

Senator WILEY. Do you not regard it strange that the S. & G. Syndicate, which seemed to be getting along perfectly well without your services, should all of a sudden have you join that syndicate?

Mr. RUSSELL. I decline to answer that question.

Senator WILEY. That was not a coincidence, was it?

Mr. RUSSELL. I decline to answer that question.

The CHAIRMAN. The Chair orders you, Mr. Russell, to answer the questions relative to the S. & G. Syndicate that Senator Wiley has just asked you, that is, the Chair instructs you that you are not entitled to refuse to answer those questions on the ground that they would incriminate you, and orders you to answer them. Do you refuse to comply with the order of the Chair?

Mr. RUSSELL. Is that, sir, a question put to me?

The CHAIRMAN. Yes, sir. Do you refuse to comply with the order of the Chair and to answer those questions?

Mr. RUSSELL. I decline to answer any question that may tend to incriminate me.

The CHAIRMAN. Then you refuse to comply with the order of the chairman to answer the questions that you have been asked by Senator Wiley relative to your connection with the S. & G. Syndicate?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me, sir.

Senator WILEY. Do you want to tell us what you mean by incriminating you?

Mr. RUSSELL. I just would not know how to answer that, sir.

Senator WILEY. Then you are simply repeating—

Mr. RUSSELL. I am bound to be incriminating myself. I know through the direct or indirect efforts of this committee that I have been indicted in the State of Florida. I don't care to incriminate myself, and that seems to be my answer, sir.

Senator WILEY. Do you realize that at least by many people your refusal to answer these questions will be interpreted as meaning that you prefer to go to jail because of a contempt citation of Congress, rather than to face the music insofar as the gang you have been associated with?

Mr. RUSSELL. I decline to answer that question, sir, on the same grounds.

Senator WILEY. Can you tell me what individuals in Chicago contacted you relative to your entrance into the S. & G. Syndicate in Miami?

Mr. RUSSELL. I decline to answer that question on the grounds previously indicated.

The CHAIRMAN. The Chair orders you to answer. Do you refuse to obey the order of the Chair?

Mr. RUSSELL. I don't refuse to obey an order, but I decline to answer a question that may incriminate me, sir.

The CHAIRMAN. Anyway, regardless of what the Chair advises you, the Chair has advised you you must answer, and you refuse to answer; is that correct?

Mr. RUSSELL. That is my answer.

The CHAIRMAN. That is correct, you say?

(No response.)

Mr. HALLEY. I just want to advise you on a legal basis that unless you take the position that the answer would tend to incriminate you, not "may," and that it would tend to incriminate you of a violation of some law of the United States, that your answer must be given, and that your contention of a constitutional privilege is of no avail.

Mr. RUSSELL. May I get that again?

Mr. HALLEY. I just want to make sure before you persist in your refusal to answer Senator Wiley's further questioning, that you understand the law.

Mr. RUSSELL. I understand the law this way; I may have some rights, Mr. Senator.

The CHAIRMAN. Let me interrupt and let counsel explain the law to you so you can have a clear understanding of it. All right, Mr. Halley.

Mr. HALLEY. Mr. Russell, you must answer the questions unless you can contend, and contend with some basis, that the answer would tend to incriminate you under some law of the United States of America.

Mr. RUSSELL. That is just exactly what I mean, sir.

Mr. HALLEY. The Federal Government.

Mr. RUSSELL. Yes, sir; both.

The CHAIRMAN. That is, if it might incriminate you under some State law, then you have no right to refuse to answer. We are not concerned with State laws. Your privilege goes to incrimination under Federal laws, not State laws. You understand that clearly?

Mr. RUSSELL. I understand that that is your theory of it, sir.

The CHAIRMAN. All right. Have you consulted with an attorney since you were here last Tuesday?

Mr. RUSSELL. I decline to answer that question on the same grounds, that it may incriminate me.

The CHAIRMAN. The Chair orders you to answer that question. Do you refuse to obey the order of the Chair? Yes or no?

Mr. RUSSELL. I have consulted an attorney. I have consulted several attorneys.

I would like to inform the Chair they think just as the Chair does.

The CHAIRMAN. Who did you consult with?

Mr. RUSSELL. I decline to answer that. It may tend to incriminate me.

The CHAIRMAN. You say that the attorneys have the same opinion that the Chair does?

Mr. RUSSELL. Yes, sir; all of them.

The CHAIRMAN. What?

Mr. RUSSELL. All of them.

The CHAIRMAN. All of them advised you just as the Chair has?

Mr. RUSSELL. That is right.

The CHAIRMAN. Do you refuse to advise the Chair what attorneys you have consulted with?

Mr. RUSSELL. I decline to answer. It may tend to incriminate me.

The CHAIRMAN. Go ahead and ask the questions, Mr. Halley.

Senator WILEY. Were those attorneys located in Chicago, Miami, or Washington?

Mr. RUSSELL. In Washington.

Senator WILEY. You think giving their names would incriminate you?

Mr. RUSSELL. It might.

Senator WILEY. Were they attorneys that you had consulted before?

Mr. RUSSELL. No.

The CHAIRMAN. Speak up, Mr. Russell.

Mr. RUSSELL. No, sir, they weren't attorneys that I had consulted before.

Senator WILEY. If you had never seen them before, how did you happen to get their names? Who advised you?

Mr. RUSSELL. I decline to answer that question on the same grounds. It may lead to a question that may tend to incriminate me. Senator Wiley, I don't want to be obstinate or stubborn in this thing, but I do want to protect my own rights, if I can.

Senator WILEY. I have to leave. I just want to say, Mr. Russell, that while I would not ask anyone to give up any right, I want to appeal to you as a veteran of this great country that you are anxious to assist this great Government that you served in the war. Apparently under the advice of somebody you have visited a lawyer. We are seeking to get information on this subject, and you impose the incrimination feature. I am appealing to you as a veteran of this great Nation to come to the assistance of the Nation. We are all in the same boat, trying to clean the house. You are in a position to give us information and there is no reason why, if you are an American, that information should not be forthcoming. Even if it should incriminate you, can you not sense that there is a need here of your country that should be met and that you can meet? If your answer to that is the

same, I ask you again, is it because you are fearful that somebody will rub you out if you answer the truth?

Mr. RUSSELL. No, sir.

Senator WILEY. It is just because of your own little selfish desire to protect your own hide. Is that it?

Mr. RUSSELL. What is selfish about wanting to protect your own rights? What is selfish about that situation?

Senator WILEY. Did you get an honorable discharge from the Army?

Mr. RUSSELL. I certainly did, and I am just as proud of it as any man that was ever in the Army.

Senator WILEY. Do you not want to keep that honorable discharge still honorable?

Mr. RUSSELL. Positively.

Senator WILEY. By coming to the aid of your county.

Mr. RUSSELL. Positively and I defy anyone to try to take away that honorable discharge.

Senator WILEY. You can lose your citizenship, too.

Mr. RUSSELL. If I can lose my rights and my citizenship because I don't care to incriminate myself, Senator, I am sorry. I just have to take it.

The CHAIRMAN. Is there anything further, Senator Wiley?

Mr. Halley, will you ask any further questions that you may have?

Mr. HALLEY. What is your business?

Mr. RUSSELL. I decline to answer that question on the same grounds.

Mr. HALLEY. What is the ground, that it would incriminate you?

Mr. RUSSELL. That the answer may tend to and would or could incriminate me, anyway.

Mr. HALLEY. You have been advised several times that the grounds you must assert is that the answer would tend to incriminate you under some Federal law.

Mr. RUSSELL. Would tend to incriminate me is the right words; yes.

Mr. HALLEY. Do you say that your present business, the answer to that question would incriminate you under some Federal law?

Mr. RUSSELL. I decline to answer that question as previously indicated.

Mr. HALLEY. Were you ever in business with Tony Accardo?

Mr. RUSSELL. I decline to answer that question as previously indicated. The records you have—

Mr. HALLEY. Were you saying something?

Mr. RUSSELL. With the records you have, you know what they are. I decline to answer any questions that might tend to incriminate me in any way.

Mr. HALLEY. I am now referring to a period prior to 1940, before the possibility of your being incriminated because of the statute of limitations. I am referring to a period no less than 10 years ago; prior to 1940, were you ever in the bookmaking business with Tony Accardo in Chicago?

Mr. RUSSELL. I decline to answer that question.

Mr. HALLEY. You know you were in the bookmaking business with Tony Accardo, were you not?

Mr. RUSSELL. I decline to answer that question, sir.

Mr. HALLEY. Were you ever in business with Charley (Cherry Nose) Joye?

Mr. RUSSELL. I decline to answer that question on the ground that it may tend to incriminate me.

Mr. HALLEY. Were you ever in business before 1940 with Charlie (Cherry Nose) Joye?

Mr. RUSSELL. I decline to answer that question.

Mr. HALLEY. Have you known Tony Accardo?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. Did you ever see Tony Accardo?

Mr. RUSSELL. I decline to answer that question, as previously indicated.

Mr. HALLEY. Did you ever see Charlie (Cherry Nose) Joye?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. At this point I want to ask the Chair to order the witness to answer the questions that have been asked so far.

The CHAIRMAN. The Chair instructs you that these are proper questions, Mr. Russell, and that you have no right to refuse to answer them, and orders you to answer them. Will you or will you not comply with the order of the Chair?

Mr. RUSSELL. I would like to abide by the order of this court, the Chair, as much as I can, but I think that the question may tend to incriminate me—

The CHAIRMAN. Mr. Russell, let's get it straight. The Chair and this committee have no desire to impose on you, to ask any questions or to ascertain any information that it is not entitled to.

Mr. RUSSELL. I appreciate that.

The CHAIRMAN. The Chair feels that we are entitled to answers to the questions previously asked by counsel, whether you were in business prior to 1940 with Tony Accardo, with Charlie Joye, whether you knew Tony Accardo and Charlie Joye. The Chair has ordered you to answer those questions. Will you or will you not abide by the ruling of the Chair? That is, will you answer them or will you not?

Mr. RUSSELL. I decline to answer the questions on the grounds that they may tend to incriminate me.

The CHAIRMAN. Proceed, Mr. Halley.

Mr. HALLEY. You know that Tony Accardo has frequently been referred to in the newspapers as the successor to Al Capone and Frank Nitti as the head of the Capone syndicate in Chicago. Do you not know that?

Mr. RUSSELL. I decline to answer that question on the same ground.

Mr. HALLEY. I am simply asking you if you ever read it in the newspapers.

Mr. RUSSELL. I decline to answer that question.

Mr. HALLEY. You know that Tony Accardo in 1931 and your former partner, Charles Joye, were arrested for carrying concealed weapons together, do you not?

Mr. RUSSELL. I don't recall anything like that.

Mr. HALLEY. You do recall that they were both partners of yours.

Mr. RUSSELL. I decline to answer that question on the grounds that it may incriminate me.

Mr. HALLEY. You know that right now Tony Accardo is under indictment in connection with a parole scandal resulting from the parole of Charles Joye and Paul DeLucia and others in being paroled from a Federal penitentiary. Do you know that?

Mr. RUSSELL. No, sir; I don't know that.

Mr. HALLEY. Do you have a brother, Dave Russell?

Mr. RUSSELL. Yes.

Mr. HALLEY. Have you ever seen him?

Mr. RUSSELL. I haven't seen him in several years, the last 2 or 3 years.

Mr. HALLEY. Were you ever in business with Dave Russell?

Mr. RUSSELL. I decline to answer that question on the grounds that the answer may incriminate me.

Mr. HALLEY. Do you know whether or not your brother, Dave Russell, Tony Accardo, and others were indicted in Chicago in 1943?

Mr. RUSSELL. I decline to answer that question for the reasons previously indicated.

Mr. HALLEY. Do you know Ralph Pierce?

Mr. RUSSELL. I decline to answer that question on the grounds that it may incriminate me.

Mr. HALLEY. It is a fact, is it not, that you were in the bookmaking business with Ralph Pierce?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. Did you ever hear that Ralph Pierce, Tony Accardo, and others were arrested in connection with a murder investigation in Chicago in 1943?

Mr. RUSSELL. I never heard anything of the kind.

Mr. HALLEY. You have not?

Mr. RUSSELL. No.

Mr. HALLEY. Did you ever hear that Ralph Pierce was in the bookmaking business?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. Were you ever in the premises at 400 South State Street in Chicago, Ill.?

Mr. RUSSELL. Yes.

Mr. HALLEY. You had a business there, did you not?

Mr. RUSSELL. I did.

Mr. HALLEY. You had a bookmaking business there, too; did you not?

Mr. RUSSELL. No; I didn't.

Mr. HALLEY. What business did you have at 400 South State Street?

Mr. RUSSELL. I had a restaurant.

Mr. HALLEY. What was the name of the restaurant?

Mr. RUSSELL. Russell's Silver Bar.

Mr. HALLEY. Were there other offices in that building?

Mr. RUSSELL. Of course there were offices. It was an office building.

Mr. HALLEY. Did Ralph Pierce have an office in that building?

Mr. RUSSELL. I decline to answer that question on the ground that the answer may tend to incriminate me.

Mr. HALLEY. Did you ever hear of the Retail Clerks Protective Association?

Mr. RUSSELL. I don't recall. I may have.

Mr. HALLEY. Did they have space in 400 South State Street?

Mr. RUSSELL. I never had much to do with the building upstairs. I don't recall what offices were in there or who was in there at the time.

Mr. HALLEY. Did you ever hear of the labor extortion racket in Chicago and elsewhere?

Mr. RUSSELL. In Chicago and elsewhere?

Mr. HALLEY. Yes. Do you know that your former partner——

Mr. RUSSELL. I wouldn't know what to call extortion. I just don't get that.

Mr. HALLEY. Do you know what your former partner, Charles Joye, went to jail for?

Mr. RUSSELL. I do not.

Mr. HALLEY. It was for extorting money from the moving-picture industry, was it not?

Mr. RUSSELL. I don't know.

Mr. HALLEY. Joye was your former partner in the book-making business, was he not?

Mr. RUSSELL. I decline to answer that question on the grounds that the answer might tend to incriminate me.

Mr. HALLEY. For your information, he so testified here under oath. Does that help any?

Mr. RUSSELL. I decline to answer that question.

Mr. HALLEY. Were you ever in business with Lawrence Imburgio?

Mr. RUSSELL. I beg your pardon?

Mr. HALLEY. Were you ever in business with Lawrence Imburgio?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. Is it not a fact that you were in the book-making business with Imburgio?

Mr. RUSSELL. I decline to answer that question, as previously indicated.

Mr. HALLEY. Were you ever in business at 186 North Clark Street, Chicago, Ill.?

Mr. RUSSELL. I decline to answer that question.

Mr. HALLEY. Did you ever hear of the Ogden Smoke Shop?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Is it not a fact that you ran a bookmaking business at the Ogden Smoke Shop——

Mr. RUSSELL. I decline to answer that question on the ground that it may tend to incriminate me.

Mr. HALLEY. Don't you think you should wait to decline until the question has been finished, out of courtesy to this Senate committee, if for no other reason?

Mr. RUSSELL. I am sorry, sir.

Mr. HALLEY. Were you ever in the bookmaking business at the Ogden Smoke Shop at 186 Clark Street, Chicago, Ill.?

Mr. RUSSELL. I decline to answer that question on the ground that the answer may tend to incriminate me.

Mr. HALLEY. Were you ever in business at the Drive Club, 210 North Wabash, Chicago, Ill.?

Mr. RUSSELL. I decline to answer that question on the grounds that the answer may tend to incriminate me.

Mr. HALLEY. Isn't it a fact that you ran a bookmaking business at the Drive Club, 210 North Wabash, Chicago, Ill.?

Mr. RUSSELL. I decline to answer that question, as previously indicated.

Mr. HALLEY. Were you ever in business at 22 East Lake Street, Chicago, Ill.?

Mr. RUSSELL. I decline to answer that question on the same ground.

Mr. HALLEY. Isn't it a fact that you were in the bookmaking business at 22 East Lake Street, Chicago, Ill.?

Mr. RUSSELL. I decline to answer that question on the grounds as previously indicated.

Mr. HALLEY. Were you ever in the bookmaking business?

Mr. RUSSELL. I decline to answer that question on the grounds as previously indicated.

Mr. HALLEY. Were you ever in the bookmaking business as much as 20 years ago?

Mr. RUSSELL. I decline to answer that question as previously indicated.

Mr. HALLEY. You seem to be familiar with your rights. Are you aware of the fact that there is a statute of limitations on the crime of bookmaking?

Mr. RUSSELL. I am aware of the fact that I decline to answer any question that may tend to incriminate me.

Mr. HALLEY. Were you ever in the business of taking lay-off bets?

Mr. RUSSELL. I decline to answer that question.

Mr. HALLEY. Do you know Tony Gizzo in Kansas City?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Have you ever met Tony Gizzo?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. For your information, he is a very important Mafia figure in Kansas City. Does that help you?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. You don't recall whether you know him at all?

Mr. RUSSELL. No, sir.

Mr. HALLEY. Did you ever take lay-off bets from Tony Gizzo in Kansas City?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. If Charles Joye testified before this committee in a closed session that you took lay-off bets from Tony Gizzo in Kansas City, would have been telling the truth or perjuring himself?

Mr. RUSSELL. I decline to answer that question on the ground that it may tend to incriminate me.

Mr. HALLEY. Do you know Charley Carrola in Kansas City?

Mr. RUSSELL. No, sir, I don't recall knowing him; no sir.

Mr. HALLEY. Did you ever take lay-off bets from Charley Carrola?

Mr. RUSSELL. I don't want to answer any questions that may tend to incriminate me, sir.

Mr. HALLEY. I have advised you several times that the fact that a question may tend to incriminate you is no excuse for not answering. Your excuse must be that it would tend to incriminate you under some Federal law of the United States of America.

Mr. RUSSELL. I realize that you are trying to confuse me, and I don't want to answer any questions that may tend to incriminate me, sir.

Mr. HALLEY. I don't think you are confused at all. You have come here and told this committee that several lawyers have told you exactly what the chairman told you, that you must answer questions. You told Senator Wiley at one point that you have committed no crime, but you sit there just repeating pretty much like a parrot or a monkey that you don't want to answer questions. You are not confused. You just don't want to talk. That is not a question, but isn't that a fact?

The CHAIRMAN. Mr. Russell, have you talked with Tony Accardo and Joye and Ralph Capone, Pierce, or Levine, within the last 60 days?

Mr. RUSSELL. Some of the people you are talking about, I don't know.

The CHAIRMAN. Have you talked with any of them in the last 60 days?

Mr. RUSSELL. I decline to answer that question on the grounds that the answer may tend to incriminate me.

Mr. HALLEY. Did you ever hear that Charles Gargotta talked before a grand jury and then was killed?

Mr. RUSSELL. I beg your pardon, sir?

Mr. HALLEY. Did you ever hear of Charles Gargotta?

Mr. RUSSELL. I have read of him in the newspapers.

Mr. HALLEY. Did you read how he was killed after he talked before a grand jury?

Mr. RUSSELL. No, I didn't.

Mr. HALLEY. Did you hear how Binaggio was killed after there were rumors that he had talked before a grand jury?

Mr. RUSSELL. No, I didn't.

Mr. HALLEY. Did you ever hear of James M. Ragen?

Mr. RUSSELL. Sir?

Mr. HALLEY. Did you ever hear of James M. Ragen, R-a-g-e-n?

Mr. RUSSELL. Yes.

Mr. HALLEY. Do you know Mr. Ragen?

Mr. RUSSELL. I decline to answer on the grounds that it may tend to incriminate me.

Mr. HALLEY. Did you ever see James M. Ragen?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. You know that Mr. Ragen headed the Continental Wire Service at one time, is that right?

Mr. RUSSELL. I don't know what he did.

Mr. HALLEY. Did you ever hear it?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Did you ever read in the papers that James M. Ragen was killed?

Mr. RUSSELL. Yes.

Mr. HALLEY. Did you read in the papers that he was killed after he made a statement to the police about his activities and the activities of certain other people?

Mr. RUSSELL. I don't recall. I didn't pay much attention to it at the time.

Mr. HALLEY. When your lawyer, Luis Kutner, wrote this committee that you would not appear to testify, and I quote, talking about you,

he stated that "Binaggio's case history illustrates his point of view and position."

Mr. RUSSELL. That is his point of view.

Mr. HALLEY. No; he is talking about you.

Mr. RUSSELL. I can't help what he said about me. He is not my lawyer.

Mr. HALLEY. Didn't you have in mind, when you were talking to Kutner, that Binaggio and Ragen and Gargotta and others were killed after they talked or were believed to have talked?

Mr. RUSSELL. Positively not.

Mr. HALLEY. When Ragen talked to the police in Chicago, he gave the names of four people who he said were trying to "muscle in" on Continental Press, and one of them was your partner, Tony Accardo. Did you know that?

Mr. RUSSELL. I did not.

Mr. HALLEY. Did you ever hear it?

Mr. RUSSELL. I did not.

Mr. HALLEY. Tony Accardo was your partner, wasn't he?

Mr. RUSSELL. I decline to answer that question on the ground that it may tend to incriminate me.

Mr. HALLEY. Were you ever on a boat called the *Clara Jo*?

Mr. RUSSELL. I was.

Mr. HALLEY. That is a boat that was purchased by the S. & G. Syndicate in Miami, is it not?

Mr. RUSSELL. That is one and the same boat.

Mr. HALLEY. It was purchased by the S. & G. after you entered the S. & G. Syndicate, is that right, in 1949?

Mr. RUSSELL. That is right.

Mr. HALLEY. That boat was bought from Tony Accardo, wasn't it?

Mr. RUSSELL. That boat was bought from the Rody Boat Co.

Mr. HALLEY. The checks, for your information, in payment for it, were made out to Tony Accardo.

Mr. RUSSELL. They may have been.

Mr. HALLEY. They are in evidence before this committee.

Now, do you still persist that that boat was not bought from Tony Accardo?

Mr. RUSSELL. I beg your pardon?

Mr. HALLEY. Do you still persist that that boat was not bought from Tony Accardo?

Mr. RUSSELL. I never said the boat wasn't bought from him.

Mr. HALLEY. You said it was bought from some boat company. What is the name of the boat company?

Mr. RUSSELL. I think it was the Rody Boat Co. in Fort Lauderdale.

Mr. HALLEY. The Rody Boat Co.?

Mr. RUSSELL. I believe so. I am not positive about that.

Mr. HALLEY. It was Tony Accardo's boat, wasn't it?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. How could that possibly incriminate you, Mr. Russell? You are just obstructing this committee.

Mr. RUSSELL. I don't care to obstruct the committee. I don't care to be confused into saying something that may tend to incriminate me, sir.

Mr. HALLEY. You don't care to be led even close to saying something that would give the committee some facts, is that right?

Mr. RUSSELL. I decline to answer that question.

Mr. HALLEY. You were a good friend of Tony Accardo's, weren't you?

Mr. RUSSELL. I decline to answer that question on the ground—

Mr. HALLEY. The evidence before this committee shows that you handled the sale of that boat, that you had had numerous telephone conversations with Accardo within the last year—

Mr. RUSSELL. Let me ask one thing. Is it a crime to buy or sell a boat?

Mr. HALLEY. I don't think so. Do you think it is?

Mr. RUSSELL. No, I don't think it is.

Mr. HALLEY. Now, will you tell the committee why you refuse to answer the questions about it that were asked a few minutes ago?

Mr. RUSSELL. I have reasons to believe that the answer may tend, lead or tend to incriminate me, sir.

Mr. HALLEY. I think at this point I would like to ask the chairman again to instruct this witness to answer all the questions up to this point that he has refused to answer.

The CHAIRMAN. I do instruct you, Mr. Russell, to answer these questions, because in the opinion of the Chair, you have no right to refuse to answer them. So I instruct you to answer the questions. Do you refuse to do so?

Mr. RUSSELL. I decline to answer the questions on the grounds—

The CHAIRMAN. Any question counsel asks, just consider that the Chair has instructed you to answer unless the Chair advises you to the contrary, from now on, for the purpose of the record.

Mr. HALLEY. Thank you.

Do you know John Roselli?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Do you not know that John Roselli was convicted in the movie extortion case that your former partner, Joye, was involved in?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Isn't it a fact that Louis Campagna, Paul Ricca, and Charley Joye, John Roselli—that entire group operated with you as a single unit at 400 South State Street?

Mr. RUSSELL. I beg your pardon, sir?

Mr. HALLEY. Isn't it a fact that you met and associated with Louis Campagna at 400 South State Street?

Mr. RUSSELL. I refuse to answer that question.

Mr. HALLEY. He has testified that he did, and that he came there and gave you large bets.

Mr. RUSSELL. I refuse to answer that question on the grounds it may tend to incriminate me.

Mr. HALLEY. Did you ever meet William H. Johnston?

Mr. RUSSELL. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. HALLEY. He has testified that he met you at 400 South State Street.

Mr. RUSSELL. There were a lot of people who met me at 400 South State Street. That was an important restaurant, and a lot of people came there, and I don't recall who and what I met.

Mr. HALLEY. Did William H. Johnston meet you there?

Mr. RUSSELL. I decline to answer on the grounds that the answer may tend to incriminate me.

Mr. HALLEY. Did John Roselli meet you there?

Mr. RUSSELL. I decline to answer on the grounds that the answer may tend to incriminate me.

Mr. HALLEY. Don't you know that John Roselli is the man who went to California and muscled into the wire service there?

Mr. RUSSELL. I don't know.

Mr. HALLEY. Are you sure you don't? Didn't you ever hear it?

Mr. RUSSELL. I never heard of him.

Mr. HALLEY. You never heard of John Roselli?

Mr. RUSSELL. I may have. I don't recall. I don't want to be pinned down to that.

Mr. HALLEY. Did you ever hear of Rocco DeStefano?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. You heard of this Local Retail Clerks Protective Association No. 1248?

Mr. RUSSELL. I may have. I do not recall.

Mr. HALLEY. Did you ever read in the newspapers that the State's attorney in Chicago charged that the same crowd of yours, Campagna, Ricca, Joye, DeStefano, and others, looted nine hundred-odd thousand dollars from Local 1248 of the Retail Clerks Protective Association? Did you ever hear that?

Mr. RUSSELL. I don't recall whether I did or not.

Mr. HALLEY. Don't you know—this may refresh your recollection—don't you know that Local 1248 of the Retail Clerks Protective Association is also located at 400 South State Street, or was at that time so located?

Mr. RUSSELL. I wouldn't know who was up there, whether it was Local 648 or 128 or any other 8.

Mr. HALLEY. Is there a possibility that that nine hundred-odd thousand dollars moved downstairs from one office to another at 400 South State Street?

Mr. RUSSELL. I don't realize what you are talking about.

Mr. HALLEY. Let's see who all was there. You were there, weren't you, at Russell's Silver Bar?

Mr. RUSSELL. To take \$900,000? Are you asking that question?

Mr. HALLEY. I am asking if you were located at 400 South State Street?

Mr. RUSSELL. I was located at 400 South State Street.

Mr. HALLEY. And Ralph Pierce was located there?

Mr. RUSSELL. I don't know whether he was or wasn't.

Mr. HALLEY. Local 1248 was located there?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Charles Joye testified that when he was in the book-making business with you, he was located there. Did you know that?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. At one point you went to Florida, is that right, in your career? When did you first go?

Mr. RUSSELL. I have been going to Florida on and off for 30 years.

Mr. HALLEY. Did you ever own a home there?

Mr. RUSSELL. That is right.

Mr. HALLEY. I am sorry?

Mr. RUSSELL. That is right.

Mr. HALLEY. Where did you own a home in Florida?

Mr. RUSSELL. 4415 Post Avenue.

Mr. HALLEY. Do you own a home there now?

Mr. RUSSELL. I do not.

Mr. HALLEY. Didn't you recently buy a home on San Marino Island?

Mr. RUSSELL. I didn't.

Mr. HALLEY. Did your wife? Why are you trying to evade and avoid the questions?

Mr. RUSSELL. What has my wife and family to do with this messy situation?

Mr. HALLEY. The mess is one of your creation and of your associates'. Will you answer the question, Did your wife buy that?

Mr. RUSSELL. I decline to bring her into this controversy at any time.

Mr. HALLEY. This is not a controversy. The question is, Did your wife recently buy a house in Miami Beach, Fla.?

Mr. RUSSELL. I decline to answer that question.

Mr. HALLEY. On what ground?

Mr. RUSSELL. On the ground it may tend to incriminate me.

Mr. HALLEY. You testified on Tuesday that you were living at a hotel.

Mr. RUSSELL. True.

Mr. HALLEY. What hotel?

Mr. RUSSELL. I am still living there, the Town House at Nineteenth and Collins.

Mr. HALLEY. Where have you lived in the last 3 months, at what hotels?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. You have been at the Hampshire House in New York?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. You don't recall that. Have you been at the Drake in Chicago?

Mr. RUSSELL. I decline to answer that question. It may tend to incriminate me.

Mr. HALLEY. Have you been at the Blackstone in Chicago?

Mr. RUSSELL. Yes.

Mr. HALLEY. You have?

Mr. RUSSELL. Yes.

The CHAIRMAN. Answer out. We cannot hear you.

Mr. RUSSELL. Yes. I have been at the Blackstone.

The CHAIRMAN. When were you at the Blackstone in Chicago?

Mr. RUSSELL. I decline to answer that question. It may tend to incriminate me.

Mr. HALLEY. In Florida a number of your former Chicago associates also lived, is that right?

Mr. RUSSELL. I beg your pardon, sir?

Mr. HALLEY. Let us take them one at a time.

Tony Accardo has a home in Miami Beach, too, does he not?

Mr. RUSSELL. I wouldn't know.

Mr. HALLEY. Have you never been in the home of Tony Accardo at Miami Beach?

Mr. RUSSELL. I decline to answer that question on the grounds that it may tend to incriminate me.

Mr. HALLEY. Charles Fischetti has a home in Miami Beach, has he not?

Mr. RUSSELL. I decline to answer that question.

Mr. HALLEY. Have you ever been at the home of Charles Fischetti at Miami Beach?

Mr. RUSSELL. I decline to answer that question on the grounds that the answer may tend to incriminate me.

Mr. HALLEY. Were you ever in Al Capone's home in Miami Beach?

Mr. RUSSELL. I decline to answer that question on the grounds that the answer may tend to incriminate me.

Mr. HALLEY. Did you know Al Capone?

Mr. RUSSELL. No; I didn't know Al Capone.

Mr. HALLEY. Did you ever meet him?

Mr. RUSSELL. No.

Mr. HALLEY. Were you ever in the home of Al Polizzi at Miami Beach?

Mr. RUSSELL. I don't recall knowing Al Polizzi.

Mr. HALLEY. Were you ever in the home of Jack Guzik at Miami Beach?

Mr. RUSSELL. I don't recall ever being in any of their homes.

Mr. HALLEY. Do you know Jack Guzik?

Mr. RUSSELL. I decline to answer on the grounds that it may tend to incriminate me.

Mr. HALLEY. Have you ever seen Jack Guzik?

Mr. RUSSELL. I decline to answer on the same grounds as previously stated.

Mr. HALLEY. Were you ever in the home of Ralph Buglio at Miami Beach?

Mr. RUSSELL. I decline to answer on the grounds it may tend to incriminate me.

Mr. HALLEY. You know very well that you know Tony Accardo quite well. You know Charley Fischetti. You know Al Capone, or knew him. You knew Al Polizzi. You know Jack Guzik. Aren't those facts?

Mr. RUSSELL. That is what you said, sir.

Mr. HALLEY. Isn't that a fact?

Mr. RUSSELL. I decline to answer on the grounds that the answer may tend to incriminate me.

Mr. HALLEY. If you haven't the guts to deny it, I am going to assume it is the fact.

How about Rocco DeStefano, who is one of the people involved in this local 1248? Do you know him?

Mr. RUSSELL. I don't recall knowing Rocco DeStefano.

Mr. HALLEY. Were you ever in his home in Miami Beach?

Mr. RUSSELL. I decline to answer that on the grounds that it would tend to incriminate me.

Mr. HALLEY. Do you know Peter Tremont?

Mr. RUSSELL. I do not recall.

Mr. HALLEY. Were you ever in his home at Miami Beach?

Mr. RUSSELL. I decline to answer that on the grounds it may tend to incriminate me.

Mr. HALLEY. Do you know Max Caldwell?

Mr. RUSSELL. I decline to answer that question on the ground it may tend to incriminate me.

Mr. HALLEY. The stenographer will note the appearance of Senator Tobey at this point.

Were you ever in the Robert Richter Hotel in Miami Beach?

Mr. RUSSELL. Yes.

Mr. HALLEY. Did you ever operate a bookmaking establishment in the Robert Richter Hotel at Miami Beach?

Mr. RUSSELL. I decline to answer that question on the grounds the answer may tend to incriminate me.

Mr. HALLEY. Were you ever in the Hotel Wavette at Miami Beach?

Mr. RUSSELL. I may have been. I do not recall now.

Mr. HALLEY. Were you ever in the Hotel Bellaire at Miami Beach, or at Surf-Side?

Mr. RUSSELL. I don't recall, sir.

Mr. HALLEY. You do not recall?

Mr. RUSSELL. I do not know where the Bellaire is, I may have been.

Mr. HALLEY. Do you know Jack Friedlander?

Mr. RUSSELL. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. HALLEY. Do you know Nat Modell?

Mr. RUSSELL. I decline to answer that question on the same grounds.

Mr. HALLEY. Do you know Al Anenberg?

Mr. RUSSELL. I decline to answer that question on the same grounds.

Mr. HALLEY. Do you know Frank Erickson?

Mr. RUSSELL. I decline to answer that question on the same grounds.

Mr. HALLEY. Is it not a fact that you have done a large lay-off betting business with Frank Erickson in New Jersey?

Mr. RUSSELL. I decline to answer that question on the grounds the answer may tend to incriminate me.

Mr. HALLEY. Is it not a fact that you have laid-off as much as \$2,000,000 in bets with Frank Erickson in New Jersey?

Mr. RUSSELL. I decline to answer that question on the same grounds as previously indicated.

Mr. HALLEY. With whom do you do lay-off betting in St. Louis?

Mr. RUSSELL. I decline to answer that question on the same grounds.

Senator TOBEY. Why don't you have a little sign painted and hold it up and save your voice?

Mr. RUSSELL. I might just as well, sir. I don't think that I want to incriminate myself, Senator.

Senator TOBEY. Don't you want the country to have the truth, the whole truth, and nothing but the truth, that you swore to give, no matter where it hits you or how it damns you? Don't you think the country is entitled to know all your doings when you are challenged by the courts and by the Senate of the United States? Why don't you come clean and make a new start? Why not be a man for once in your lifetime and show that you have some guts and courage and say, "Yes, I have sinned, but I will do a right-about-face and tell you all you want

to know. I will undo the whole dirty crowd for you and purify America."

Why not have that in your soul instead of sitting there stating that you decline to answer? Why not make a good story instead of bringing disrepute on everybody, and give the truth, the whole truth and nothing but the truth? You promised to do that and you are breaking your oath right there. For heaven's sake, come right through.

Mr. RUSSELL. Don't I have any rights?

Senator TOBEY. You have the right before Almighty God to tell the almighty truth and make a good American of yourself.

Mr. RUSSELL. I am trying to tell the truth.

Senator TOBEY. Do not hold back answers. No matter how hard it hits, be a man and face it. The fellows over across in Korea are facing these things, and you sit back here a privileged character and are afraid to tell the truth about yourself.

Mr. RUSSELL. I am not a privileged character, sir.

Senator TOBEY. Then tell us the truth.

Mr. RUSSELL. I am entitled to some rights.

Senator TOBEY. You have the right before Almighty God to make a decent disclosure and that transcends everything else.

Mr. HALLEY. Now, Mr. Russell, do you know William H. Johnston? I have asked you that before but I am going to ask it again because he figures very prominently in Florida as well as in Chicago. Do you know him?

Mr. RUSSELL. I decline to answer that question on the ground it may tend to incriminate me.

Mr. HALLEY. Do you know a man named W. O. Crosby, sometimes called "Bing" Crosby?

Mr. RUSSELL. I decline to answer that question.

Mr. HALLEY. For your information, both of those people have testified under oath in open hearings before this committee that they know you. Would you say that they were perjuring themselves?

Mr. RUSSELL. I decline to answer that question as previously stated.

Mr. HALLEY. When did you last talk to William H. Johnston?

Mr. RUSSELL. I decline to answer that question.

Mr. HALLEY. Do you know a lawyer in Jacksonville named John Rush?

Mr. RUSSELL. Yes.

Mr. HALLEY. When did you first meet John Rush?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Is it not a fact that you met him just about the time that you went to the S. & G. Syndicate?

Mr. RUSSELL. I decline to answer that question on the ground it may incriminate me.

Mr. HALLEY. Did not William H. Johnston introduce you to John Rush?

Mr. RUSSELL. I decline to answer that question on the ground that it might tend to incriminate me.

Mr. HALLEY. What is that?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Which is your answer?

Mr. RUSSELL. I know Rush, and I don't recall who introduced me to John Rush.

Mr. HALLEY. Didn't you cause the S. & G. Syndicate to pay Mr. Rush a fee of \$10,000?

Mr. RUSSELL. I decline to answer that question on the ground it may tend to incriminate me.

Mr. HALLEY. Do you know George Fowler?

Mr. RUSSELL. I decline to answer that question?

Mr. HALLEY. Is he not a man who lives in Florida?

Mr. RUSSELL. I beg your pardon, sir.

Mr. HALLEY. He lives in Florida, doesn't he?

Mr. RUSSELL. I don't know. I wouldn't know. I don't know whether he is in Florida or not. I don't know what you are talking about, sir.

Mr. HALLEY. Did you ever hear of the Little Palms Club in Miami?

Mr. RUSSELL. Yes.

Mr. HALLEY. Were you ever in it?

Mr. RUSSELL. I don't recall whether I was or wasn't.

Mr. HALLEY. Don't you know that Fowler ran the Little Palms Club in Miami?

Mr. RUSSELL. I decline to answer that question on the grounds the answer may tend to incriminate me.

Mr. HALLEY. Were you in Miami Beach in the month of January and the months of February and March of 1949?

Mr. RUSSELL. I decline to answer that question on the ground that the answer may tend to incriminate me.

Mr. HALLEY. Isn't it a fact that during those months you met and talked with "Bing" Crosby, the investigator for the Governor of Florida?

Mr. RUSSELL. I decline to answer that question on the ground that the answer may tend to incriminate me.

Mr. HALLEY. And isn't it a fact that you told Crosby locations where the S. & G. Syndicate operated bookmakings so that he could make arrests?

Mr. RUSSELL. I decline to answer that question on the grounds as previously indicated.

Mr. HALLEY. If he so testified, would you say he was telling the truth or not?

Mr. RUSSELL. I decline to answer that question on the grounds as previously indicated.

Mr. HALLEY. Now, Ben Cohen, the attorney for the S. & G. Syndicate, has testified, talking about your tipping off Crosby on the S. & G. Syndicate. Ben Cohen said, "I don't believe a man in that business would do that." And he also said, "I think that would be a pretty low thing." I am quoting the record, references pages 633 and 634. Would you say a man in your business would do such a thing as tipping off "Bing" Crosby to where S. & G. was locating bookmaking?

Mr. RUSSELL. I decline to answer that question on the grounds that it might tend to incriminate me.

Mr. HALLEY. Do you think that the tipoff of an investigator for the Governor of the State of Florida, as to where somebody else was operating a gambling joint, would be a low thing?

Mr. RUSSELL. I don't follow what you are trying to get at.

Mr. HALLEY. Well, Ben Cohen stated that. I am going after your character and I am trying to find out what sort of character you have.

Ben Cohen was a lawyer in Florida for the S. & G. Syndicate, and he said that he thought it would be a low thing for one bookmaker to tip off an investigator for the Government about another bookmaker. Do you think it would be a low thing, or an honorable thing?

Mr. RUSSELL. I don't see where that question should be answered. I decline to answer that question.

Mr. HALLEY. Do you know Hime Levin, sometimes called Hime Levine, or "Loud Mouth"?

Mr. RUSSELL. I don't recall whether I know him or not. I may or I may not; I don't know.

Mr. HALLEY. Did you ever see Levine?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Do you know where he is today?

Mr. RUSSELL. I beg your pardon.

Mr. HALLEY. Do you know where he is today?

Mr. RUSSELL. No, sir.

Mr. HALLEY. Did you ever hear of the Kenilworth Hotel in Miami Beach?

Mr. RUSSELL. Yes.

Mr. HALLEY. I think it is not exactly in Miami Beach. It is a little bit north of Miami Beach, is it not?

Mr. RUSSELL. Yes.

Mr. HALLEY. You have heard of it?

Mr. RUSSELL. Yes, sir.

Mr. HALLEY. Were you ever in it?

Mr. RUSSELL. Yes, sir.

Mr. HALLEY. Do you know the owner of it?

Mr. RUSSELL. I don't know, and I don't know who is the owner.

Mr. HALLEY. Did you ever discuss with anybody in the Kenilworth Hotel the possibility of taking over the bookmaking operations for the Kenilworth Hotel?

Mr. RUSSELL. I decline to answer that question on the ground it may tend to incriminate me.

Mr. HALLEY. Did you ever discuss or have any discussions with the owner of the Kenilworth Hotel on any subject whatsoever?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Did you ever have any discussion with the manager of the Kenilworth Hotel on any subject matter whatsoever?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Is it possible that you did?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. You know the Kenilworth is supposed to be owned by Chicago interests?

Mr. RUSSELL. I didn't know.

Mr. HALLEY. You did not?

Mr. RUSSELL. No.

Mr. HALLEY. Did you know that the Sea-View Hotel is supposed to be owned by Chicago interests?

Mr. RUSSELL. I didn't know.

Mr. HALLEY. Did you ever talk to or did you know the owner of the Sea-view?

Mr. RUSSELL. That is a cooperative hotel and I don't think that there is any owner.

Mr. HALLEY. Did you ever talk to the manager of the Sea-View Hotel?

Mr. RUSSELL. I don't know who the manager is.

Mr. HALLEY. You don't know him?

Mr. RUSSELL. I may know him but I don't right now know who the manager is.

Mr. HALLEY. Would you say that whoever the manager is or was in 1949, you never talked to the manager of the Sea-View Hotel?

Mr. RUSSELL. I decline to answer that question on the grounds it may tend to incriminate me.

Mr. HALLEY. During the year 1949, were you ever in the Sea-view Hotel?

Mr. RUSSELL. I don't recall.

Mr. HALLEY. Were you ever arrested for book-making in Miami Beach, Fla.?

Mr. RUSSELL. I have been indicted.

Mr. HALLEY. You were recently indicted with the S. & G. members?

Mr. RUSSELL. That is right.

Mr. HALLEY. And have you pleaded to that indictment?

Mr. RUSSELL. Just what do you mean by that, sir?

Mr. HALLEY. Have you gone into court and said whether you wished to stand trial?

Mr. RUSSELL. I have not gone into court. I am under bond and I have been indicted.

Mr. HALLEY. Did you ever meet Pat Perdue of the Miami Beach police force?

Mr. RUSSELL. Not that I recall.

Mr. HALLEY. Do you know who he is?

Mr. RUSSELL. I know of him.

Mr. HALLEY. Have you ever seen him?

Mr. RUSSELL. I don't know.

Mr. HALLEY. Did he ever close up your book at the Robert Richter Hotel?

Mr. RUSSELL. I decline to answer that question on the ground that it may tend to incriminate me.

The CHAIRMAN. Mr. Russell, how did you get into the S. & G. Syndicate?

Mr. RUSSELL. I decline to answer that question, sir, on the ground that it may tend to incriminate me.

The CHAIRMAN. I want the record to show that the Chair has instructed and ordered you to answer all of the questions that have been asked you both by Senator Wiley, Senator Tobey, and by the chairman and by counsel for the committee, Mr. Halley. Now, the record will show that you have refused to answer certain questions and that you have refused to obey the order of the Chair. Before we proceed further in the matter, we want to give you one last opportunity to answer the questions that have been asked you, that is, the ones you refused to answer. Do you wish now to go back and answer those questions or do you want to stand on your refusal to answer?

Mr. RUSSELL. Is that a question that you are putting to me?

The CHAIRMAN. That is a question.

Mr. RUSSELL. My position is still the same.

The CHAIRMAN. You still refuse to answer?

Mr. RUSSELL. Yes, sir.

The CHAIRMAN. I think in fairness we should tell you that the members here will recommend to the full committee contempt proceedings. You will remain under subpoena, Mr. Russell, and the subpoena will be continuing for further appearance before this committee. It is quite apparent that there is no necessity of going on with the other questions in view of the fact that you refuse to give the committee any information in answer to perfectly correct and proper questions. At this point the committee will stand in recess and you will remain under subpoena subject to further orders.

Mr. RUSSELL. Can I leave town, sir?

The CHAIRMAN. The advice of the Chair is that you do not leave town and that you be available where we can call you back.

Mr. RUSSELL. When could that be, sir? I came up here last Tuesday with two suits of clothes.

The CHAIRMAN. You work out any matters of where you are going to be with counsel of the committee, so that we can have you available to call you back whenever we want.

Mr. RUSSELL. I will come back; yes, sir. I can work that out with the committee.

The CHAIRMAN. Counsel for the committee will confer with you after we recess.

The committee will stand adjourned.

(Whereupon, the committee adjourned, subject to call of the chairman.)



INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

TUESDAY, SEPTEMBER 26, 1950

UNITED STATES SENATE,
SPECIAL COMMITTEE TO INVESTIGATE
ORGANIZED CRIME IN INTERSTATE COMMERCE,
Washington, D. C.

The committee met, pursuant to call, at 2:45 p. m., in room 910, Home Owners Loan Corporation Building, Senator Estes Kefauver (chairman) presiding.

Present: Senators Kefauver (chairman) and Hunt.

Also present: Harold G. Robinson, associate counsel, and Downey Rice, assistant counsel.

The CHAIRMAN. The committee will come to order.

Mr. Volkart, do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. VOLKART. I do.

The CHAIRMAN. All right, gentlemen.

TESTIMONY OF ERNEST VOLKART, JR., ASSISTANT CASHIER, FIRST NATIONAL BANK, ABERDEEN, MD.

Mr. RICE. Will you state your name and address?

Mr. VOLKART. Ernest Volkart, Aberdeen, Md.

Mr. RICE. You are employed in what capacity by the First National Bank?

Mr. VOLKART. Assistant cashier, First National Bank, Aberdeen.

Mr. RICE. You are appearing here in response to a subpoena directed to Mr. Rawhouser?

Mr. VOLKART. That is right, sir.

Mr. RICE. Do you have certain bank records that were asked for?

Mr. VOLKART. Yes, sir.

Mr. RICE. What are they?

Mr. VOLKART. They are the ledger sheets of Mrs. May H. Ford, Mr. Fred Ford, the ledger sheets of Mr. Fredrick Ford.

Mr. RICE. Before you leave those, will you tell us briefly what period they cover and what they show?

Mr. VOLKART. Mrs. May H. Ford, the ledger sheets on her cover from May 15, 1941, up through the last transaction, which is August 24, 1950.

Mr. RICE. What is the largest balance that she shows?

Mr. VOLKART. The largest balance that Mrs. Ford shows is \$995.94, May 20, 1944.

Mr. RICE. What is her present balance?

Mr. VOLKART. The present balance is \$323.58.

Mr. RICE. She is the wife of Tredick Ford?

Mr. VOLKART. That is right.

Senator HUNT. What is the average monthly balance? Just guess at it. You don't need to be accurate.

Mr. VOLKART. It is, roughly, \$400.

Mr. RICE. On the account of Tredick Ford, will you briefly review that in the same way?

Mr. VOLKART. Mr. Ford's ledger sheets run from March 18, 1932, up to the present time, the last transaction being September 11, 1950.

Mr. RICE. What is his highest balance?

Mr. VOLKART. His highest balance was \$1,681.55, December 2, 1943.

Mr. RICE. And his present balance?

Mr. VOLKART. The present balance, \$383.21.

Mr. RICE. Does he have any large deposits?

Mr. VOLKART. The largest deposit is \$808, back on December 2, 1943.

The CHAIRMAN. Is it mostly small deposits and small withdrawals?

Mr. VOLKART. Most of the withdrawals are small. There are very few deposits over that span of time. Most of them are relatively small, \$100, \$200, \$300, the largest two being this \$880 in December 1943 and \$700 in October of 1949. Those are the two largest deposits. Most of them are relatively small.

Mr. RICE. Do you have information about a mortgage held by Mr. Mitchell on the farm of Tredick Ford?

Mr. VOLKART. That mortgage was held by Mrs. Mitchell for quite a number of years, \$6,800. A payment of \$2,000 was made on the mortgage on April 6, 1945.

Mr. RICE. By whom?

Mr. VOLKART. By Mr. Ford, of \$2,000 in cash.

The CHAIRMAN. How do you know that?

Mr. VOLKART. Our deposit tickets are made, where it says currency, coin, and checks; the \$2,000 is up where the currency is, Senator.

The CHAIRMAN. I see.

In other words, Mrs. Mitchell deposited \$2,000?

Mr. VOLKART. It was deposited to her account, sir.

The CHAIRMAN. Does it show there by Mr. Ford?

Mr. VOLKART. By Mr. Ford. It is marked on the deposit ticket, Tredick Ford, payment on mortgage.

Mr. RICE. I think we will offer that as exhibit No. 170.

(Exhibit No. 170 returned to witness after analysis by the committee.)

The CHAIRMAN. How about these things here? Do you have photostats of them? These are your original records?

Mr. VOLKART. These are our original records, yes, sir.

The CHAIRMAN. They will be made exhibit No. 171, and we will work out some arrangement to have copies or photostats put in the record. You will keep all of these, will you? They are permanent records?

(First National Bank, Aberdeen, Md., ledger sheets of May H. Ford and Tredick Ford, exhibit No. 171, were returned to witness after analysis by committee.)

Mr. VOLKART. They are permanent records.

The CHAIRMAN. So the originals will be available if they are needed?

Mr. VOLKART. Yes, sir.

The CHAIRMAN. All right, Mr. Rice, you may work that out with the witness.

Mr. RICE. Yes, sir. That was a \$2,000 curtail in 1945 on the mortgage?

Mr. VOLKART. Yes, sir.

Mr. RICE. Was there further curtailment?

Mr. VOLKART. On July 16, 1945, the balance was paid off on the mortgage, \$5.022, which included the \$4,800 balance on the principal plus the interest, which was paid \$22 in cash and \$5,000 apparently in cashier's check drawn on a Florida bank.

Mr. RICE. Is it possible to tell from the bank records what Florida bank?

Mr. VOLKART. Mr. Rice, from our records I am afraid we could not. We didn't have a Recordak machine at that time, which of course would have made a picture of it. However, it may be possible to go through our correspondent bank in Baltimore, the First National Bank in Baltimore, and very likely they may have a photostat through their Recordak machine.

Mr. ROBESON. Would your Federal transit letters provide that information?

Mr. VOLKART. No. The only information would be through the means of a photostat.

The CHAIRMAN. Would you ask your correspondent bank, Mr. Volkart, to see if they do have that and advise Mr. Rice or Mr. Robinson?

Mr. RICE. In any event, there is nothing in the account of Tredick or May Ford which would account for that mortgage curtail?

Mr. VOLKART. Yes, sir.

The CHAIRMAN. What is the date of the deposit of the \$5,000 check?

Mr. VOLKART. July 16, 1945.

The CHAIRMAN. Do you have the date of the check?

Mr. VOLKART. No. This was the date that it was deposited in our bank to Mrs. Mitchell's credit. It would have to be some time prior to July 16.

The CHAIRMAN. By Mr. Ford?

Mr. RICE. It was presented by Mr. Ford; was it not?

Mr. VOLKART. Yes, sir.

Mr. RICE. That liquidated the Ford-Mitchell mortgage; is that correct?

Mr. VOLKART. That is right, sir.

The CHAIRMAN. Do you have any questions about that, Senator Hunt?

Senator HUNT. Not at this time, but later on I want to know who these people are, who they are related to, who this money came from in Florida, those things that we are primarily interested in. You are just now making your record.

Mr. RICE. Yes. We will have witnesses in later to tie those in. Do you have the bank transcripts of the accounts of Richard Neu and his wife, Gladys Neu?

Mr. VOLKART. Yes, sir. Which one would you like first?

Mr. RICE. We will review the account of Richard Neu.

Mr. VOLKART. The ledger sheets I have here run back to September 13, 1945, and come up to the present date, September 21, 1950.

Mr. RICE. What was the highest balance in the account at any one time?

Mr. VOLKART. September 16, 1946.

Mr. RICE. What was the amount?

Mr. VOLKART. The amount was \$4,008.59.

Mr. RICE. What is the present balance?

Mr. VOLKART. The present balance, sir, is \$56.19.

Mr. RICE. What would you say would be the average balance?

Mr. VOLKART. Roughly around \$150 to \$200.

Mr. RICE. Do you see any large deposits?

Mr. VOLKART. There are two, one \$1,000 deposit in July of 1949—July 9, 1949, and July 11, 1949, of \$1,000 each.

Mr. RICE. Can you tell from the bank records whether those deposits were cash or check?

Mr. VOLKART. From our records they were cash, sir.

Mr. RICE. Then you have the deposit tickets?

Mr. VOLKART. Yes, sir.

Mr. RICE. They show that those two \$1,000 deposits were cash?

Mr. VOLKART. That is right, sir.

Mr. RICE. Do you have other large deposits?

Mr. VOLKART. I have one of October 29, 1945, of \$3,006.11, which was made up of two checks.

Mr. RICE. What were those?

Mr. VOLKART. One of them apparently was from Mr. Cronin in Aberdeen—

Mr. RICE. Is he a real-estate operator?

Mr. VOLKART. Yes, sir. The other apparently is from his wife for \$400.

Mr. RICE. From Mrs. Neu?

Mr. VOLKART. Yes.

Mr. RICE. Do you have other substantial deposits?

Mr. VOLKART. There is another one of \$1,200 on June 3, 1946, the largest item thereon was a check drawn on Mr. Neu's savings bank in Baltimore.

Mr. RICE. What is the name of that bank?

Mr. VOLKART. The Baltimore Savings Bank, the Savings Bank of Baltimore.

Mr. RICE. Mr. Neu has an account there?

Mr. VOLKART. Yes, sir. There is another large one on September 9, 1946, \$3,066.75, and again the largest item is a \$3,000 check drawn on the savings bank in Baltimore.

Again on February 2, 1948, there is a \$1,720 deposit, the largest item on it being a \$1,600 check drawn on the Baltimore Savings Bank.

Those are the largest deposits in Mr. Neu's account.

Senator HUNT. What is Mr. Neu's occupation?

Mr. VOLKART. Right now he is bookkeeper for the Viele Lumber Co. in Aberdeen. Prior to that for a number of years he was bookkeeper for C. W. Baker & Sons, canned-goods brokers.

Senator HUNT. Do you have knowledge of what his monthly salary might have been?

Mr. VOLKART. No; I don't, Senator. It is paid in cash, and we would have no way of checking that point, sir.

Mr. RICE. Do you have a transcript of the account of Mrs. Neu?

Mr. VOLKART. Yes, sir.

Mr. RICE. Will you review that?

The CHAIRMAN. Before you do, I notice here that apparently there are two or three thousand-dollar withdrawals from Mr. Neu's account, October 30, 1945, and another one September 19, 1946. Do you know what they were for?

Mr. VOLKART. October 1945 and September 1946? Offhand, Senator, Mr. Neu, when he has some money, generally draws a check and deposits it in his Baltimore bank. I think there may be a good chance that those checks were deposits which he made in the savings bank.

The CHAIRMAN. Why would he be depositing money from the savings bank and withdrawing from the savings bank?

Mr. VOLKART. Let me check that. No; that wouldn't stand up very well. His deposit of the 9th was a check from the Baltimore Savings Bank. I frankly can't tell you about the \$3,000 check of September 9, 1946.

Mr. RICE. The bank had no recordak during that period?

Mr. VOLKART. No, sir. We don't recordak our own checks. We only recordak the ones which we send through for clearance.

The CHAIRMAN. Do you know whether those were cash withdrawals?

Mr. VOLKART. We would have no way of telling that.

The CHAIRMAN. Or whether they were by check?

Mr. VOLKART. No, sir; I am sorry.

The CHAIRMAN. All right, sir.

Mr. RICE. You are reviewing the Mrs. Neu account.

Mr. VOLKART. Mrs. Neu's ledger sheets run from January 11, 1946, up through the present date, the last transaction being September 1, 1950.

Mr. RICE. The high balance?

Mr. VOLKART. The high balance in her account was October 28, 1948, of \$3,800.

Mr. RICE. The present balance is what?

Mr. VOLKART. The present balance is \$235.93.

Mr. RICE. Will you review now the major deposits?

Mr. VOLKART. The major deposits in Mrs. Neu's account were October 28, 1948, \$3,000 in cash; August 28, 1948, \$3,000 in cash—

The CHAIRMAN. What was the first one?

Mr. VOLKART. October 28, 1948, August 25, 1948, each of them \$3,000 in cash.

April 11, 1949, \$2,000, which apparently is a life-insurance check from the Provident Mutual Life Insurance Co., Philadelphia, \$2,000.

Then July 11, 1949, \$515.50, another cash transaction.

The CHAIRMAN. The \$3,000 ones were in cash?

Mr. VOLKART. Yes, sir; both of them.

Mr. RICE. I show you two checks and ask you to describe them and tell the committee what disposition was made of those in the bank.

Mr. VOLKART. Have the members seen the checks, Mr. Rice? You mean describe the contents of the checks?

Mr. RICE. Describe them for the record.

Mr. VOLKART. The first check is dated December 1, 1949, payable to the order of Gladys F. Neu in the amount of \$5,000, signed Thomas A. Rice, in payment for house, also on December 1, 1949, another check

payable to Gladys F. Neu, in the amount of \$5,000, signed Thomas A. Rice, final payment for house.

Mr. RICE. Do they bear endorsements?

Mr. VOLKART. The checks are endorsed, Gladys F. Neu, on each one, and then counter endorsed by Richard A. Neu, and according to the bank records of Mr. and Mrs. Neu, the checks were cashed for Mr. Neu.

Mr. RICE. From the perforations can you tell anything about the checks?

Mr. VOLKART. The first check was paid on December 2, 1949, and the other one was paid on December 7, 1949.

Senator HUNT. They were paid in cash?

Mr. VOLKART. Paid in cash.

Senator HUNT. Were they deposited?

Mr. VOLKART. There is no record on either account that there was a deposit of anywhere near that amount, sir.

Senator HUNT. What bank are they written on?

Mr. VOLKART. Drawn on our bank in Aberdeen, the First National Bank of Aberdeen, sir.

Mr. RICE. None of these parties about whom you have spoken have a safe-deposit box or other account?

Mr. VOLKART. There are no other accounts except these two. As to the safe-deposit box I can't say yes or no, sir, because I didn't check that before I left.

Mr. RICE. I did.

Mr. VOLKART. You did? I don't know without looking up the record on it.

The CHAIRMAN. You asked down there, and they said they didn't have any?

Mr. RICE. Yes.

I believe that is all.

The CHAIRMAN. Senator Hunt had some things, but you were going to bring those out by somebody else.

Mr. RICE. The relationship of these people can probably best be brought out through another witness. Has your father appeared?

Mr. VOLKART. He hadn't come in when I did, sir.

Senator HUNT. You are acquainted with these people personally?

Mr. VOLKART. Yes, I am.

The CHAIRMAN. Who is Mr. Volkart?

Mr. RICE. He is the United States commissioner in Baltimore. He happens to be this gentleman's father.

Mr. VOLKART. Yes, sir.

Mr. RICE. He is in the bank and his father is practicing law, the commissioner there.

Mr. ROBINSON. Are you ready for Mr. Volkart, Senator?

The CHAIRMAN. Maybe Senator Hunt wants to ask some questions.

Senator HUNT. I don't think I do at this time. As yet I haven't got even these transactions straightened out in my mind so that I can ask intelligent questions. As we go along, I will get the story.

The CHAIRMAN. In order to get the thing straightened out a little bit, if we can, these two checks were checks by a real-estate man—

Mr. RICE. No.

Mr. VOLKART. No.

The CHAIRMAN. Mr. Neu was the purchaser, and he gave checks to Mr. Neu, two checks, each in the amount of \$5,000, is that correct?

Mr. VOLKART. That is right, sir.

The CHAIRMAN. They were present and paid off this cash?

Mr. VOLKART. Yes, sir.

The CHAIRMAN. That is the house that Mr. and Mrs. Neu lived in. I was called the old residence, wasn't it?

Mr. VOLKART. That is right. That is where they lived until they moved into their new home.

The CHAIRMAN. Was that the total purchase price of the house?

Mr. RICE. It was \$10,500. They paid \$500 down, and the check was drawn on a different bank. I believe it was deposited in Mrs. Neu's account.

The CHAIRMAN. As a banker, what would be your best judgment about what salary Mr. Neu would get, knowing how well he lived, and so forth. Is it within the \$5,000 range or \$6,000 or \$8,000?

Mr. VOLKART. Oh, it would be within the \$5,000 range, I am quite certain, sir.

The CHAIRMAN. He was a man who usually handled a lot of big transactions in cash amounts?

Mr. VOLKART. For himself?

The CHAIRMAN. Yes.

Mr. VOLKART. Since my personal knowledge of him, I would say to my knowledge. When he worked for C. W. Baker & Son, which goes back a few years now, they were quite a big outfit, and it is very likely that in the years he worked for them he made substantially more than \$5,000 through possibly presents or a bonus. Since 1933 I don't think he has.

The CHAIRMAN. You think his salary would be less than \$5,000?

Mr. VOLKART. I am sure it would.

The CHAIRMAN. I take it they must have saved up a little money and had a savings account.

Mr. VOLKART. Mr. Neu has had one in Baltimore for I don't know so long.

The CHAIRMAN. What is the general reputation of the Tredick's economic status? Are they small farmers?

Mr. VOLKART. That is what Mr. Ford has been practically all his life, a farmer on a small scale. He doesn't have a large farm.

The CHAIRMAN. You mean a truck farm?

Mr. VOLKART. No; it is not a truck farm. Possibly his biggest home would be growing corn for a canning house, the F. O. Mitchell Co. canning house, located right near Mr. Ford.

The CHAIRMAN. In what sort of income bracket would you consider it to be? I know this is speculation and guess.

Mr. VOLKART. Possibly in the last few years it has been better than ever has before because I think the Government is helping the farm—along through the price set-up and I think in cash alone they get a lot of money.

The CHAIRMAN. Would you say he is in the three-, four-, or five-thousand bracket?

Mr. VOLKART. I would say it would be somewhere in that level, sir.

The CHAIRMAN. I think that is all I want to ask you.

We appreciate your cooperation very much, sir.

Mr. ROBINSON. Have you photostats of all of those?

Mr. RICE. No.

Mr. ROBINSON. Do you want to arrange to photostat them and get them back to Mr. Volkart?

Mr. RICE. If you will leave those with us.

(Discussion off the record.)

The CHAIRMAN. I appreciate your coming over, Mr. Volkart. I hope we haven't inconvenienced you too much.

TESTIMONY OF ERNEST VOLKART, SR., ATTORNEY, ABERDEEN, MD., AND BALTIMORE, MD.

Mr. Volkart (senior), do you solemnly swear the testimony you will give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. VOLKART (senior). I do.

Mr. RICE. Will you state your name and address for the record?

Mr. VOLKART. Ernest Volkart, Sr. Home address or office?

Mr. RICE. Either one.

Mr. VOLKART. Aberdeen, Md.; office, 407 Title Building, Baltimore.

Mr. RICE. You are an attorney at law and also the United States Commissioner for Maryland: is that correct?

Mr. VOLKART. That is correct.

Mr. RICE. Directing your attention back to 1945, do you recall a transaction that you handled for Tredick and May Ford in connection with a mortgage?

Mr. VOLKART. In 1945? No; I don't. I have no file on it, because whatever I did for them was possibly writing a deed. I don't remember offhand anything about a mortgage. I know he paid off one or two mortgages. Does the record show a new mortgage put on at that time?

Mr. RICE. Yes. For a number of years you have counseled and advised Tredick Ford?

Mr. VOLKART. Yes. I have known him for many years. If the record shows that there is a \$7,500 mortgage, with my name as attorney——

Mr. RICE. Yes.

Mr. VOLKART. I would have prepared it. I have no independent recollection.

Mr. RICE. I see. Do you recall anything about a mortgage on Tredick Ford's farm held by Mary Mitchell?

Mr. VOLKART. Yes. She was the widow of F. O. Mitchell, I think, and she had a mortgage. I don't really know the amount of that.

Mr. RICE. Did Tredick Ford consult you about liquidating or discharging that mortgage?

Mr. VOLKART. He said he was going to pay it off. Let me say this: since you have mentioned it, it comes back to me. There was some talk of transferring the farm to a daughter, a Mrs. Ethel Sullivan, and instead of doing that I think the mortgage was made, given to Ethel Sullivan, but I did not handle the funds to pay off the existing mortgages. In fact, I didn't see any money.

Mr. RICE. What was the reason for wanting to transfer the farm to Ethel Sullivan?

Mr. VOLKART. I would say it was primarily as security for the money she was advancing.

Mr. RICE. Do you have any idea what money she was advancing?

Mr. VOLKART. No; I have not.

Mr. RICE. How much?

Mr. VOLKART. No.

Mr. RICE. What was the purpose of her advancing money?

Mr. VOLKART. I would say Mr. and Mrs. Tredick Ford are pretty well up in years, and he had not been farming the place, but simply renting the land out, and having a few chickens. Most likely the interest payments were becoming burdensome for him.

Mr. RICE. So she more or less came to the rescue and helped him out?

Mr. VOLKART. I wouldn't say "to the rescue," sir. I don't think that Mrs. Mitchell was pressing them. I think it just was the situation of a daughter trying to ease the burden of her parents.

Mr. RICE. As a result of that, the Mitchell mortgage was paid off and a new mortgage was placed on the property running to Ethel and Jimmy Sullivan; is that correct?

Mr. VOLKART. I don't think that Mr. Sullivan's name was on the mortgage. Did you see the land records? I haven't had the opportunity.

Mr. RICE. Yes; I did.

Mr. VOLKART. Is his name on it?

Mr. RICE. Yes. Do you have a copy of the mortgage?

Mr. VOLKART. No; I haven't. The mortgage is in Harford County, and we use printed forms for that. I didn't have any recollection that his name was on it. Of course, the record will speak for itself, the land record.

Mr. RICE. Do you know the terms of that mortgage?

Mr. VOLKART. No; I have no independent recollection. I would have to look at the land record again.

Mr. RICE. If I told you that the mortgage carried interest at 5 percent annually, would that sound right, with the amount of \$7,500?

Mr. VOLKART. Yes; I would say that is possible.

Mr. RICE. I see.

The CHAIRMAN. You have the record there. Just read into the record the date of the mortgage.

Mr. VOLKART. You have the land record, Mr. Rice.

The CHAIRMAN. If you have a memorandum, a description of the mortgage.

Mr. RICE. At liber GCB-291, folio 395, of the Harford County Courthouse, there is a mortgage recorded which reflects the principal amount of \$7,500, the original of the mortgage being mailed to Ethel Gertrude Sullivan, 2238 Southwest First Avenue, Miami. The mortgage was dated October 25, 1945, from Tredick Ford and Ida May Ford, his wife, to Ethel Gladys Sullivan and James Alexander Sullivan, her husband, in the amount of \$7,500, bona fide indebtedness on the Perryman Farm property, payable in 10 years bearing interest at 5 percent payable annually. The mortgage required full insurance. Witness to the signature of Tredick and May Ford was E. Pershing Volkart. That is your son?

Mr. VOLKART. That is my son; yes.

Mr. RICE. Also recorded at the same place was an affidavit drawn to certify that the consideration was actually paid——

The CHAIRMAN. Let's have this affidavit printed in the record at this point.

(The affidavit follows:)

STATE OF FLORIDA,

Dade County, ss:

I hereby certify that on this 25th day of October, in the year 1945, before me, the subscriber, a notary public of the State of Florida, in and for Dade County aforesaid, duly commissioned and qualified, personally appeared Ethel Gertrude Sullivan, one of the within-named mortgagees, and made oath in due form of law, in the presence of Almighty God, that the consideration stated in the foregoing mortgage is true and bona fide as therein set forth.

As witness my hand and notarial seal.

W. H. LEE,

Notary Public, State of Florida at Large.

Received for record November 3, 1945, at 10:20 a. m.; same day recorded and examined per Granville C. Boyle, clerk.

Mr. VOLKART. Under the Maryland law, a mortgage is not valid unless the mortgagee or one of the mortgagees makes an affidavit that the consideration is true and bona fide.

Mr. RICE. You prepared that and saw that it was recorded?

Mr. VOLKART. Possibly I recorded it. I may say this: In Harford County, after a paper is delivered to the clerk for recording, a receipt is issued. They want to know the address of either grantee or mortgagee and mail the mortgage out directly from the clerk's office.

Mr. RICE. Do you have any correspondence in connection with those negotiations in your file, Mr. Volkart?

Mr. VOLKART. No; I have not. My correspondence that I was able to find starts in 1948, but primarily in September 1949—September 8, 1949—and there is a letter that I have addressed to Mrs. Ethel G. Sullivan on Monday, October 17, 1949; a letter addressed to Richard Neu, Mr. and Mrs. Neu, September 9, 1950; and also a letter of September 18, 1949, to Mr. and Mrs. Neu advising that the deed from Richard Neu and wife to Ethel Sullivan had been recorded with Federal and State stamp taxes of \$11 each, also two deeds, one from Gladys F. Neu and husband to Tredick Ford and wife, and the reconveyance of the same property from Tredick Ford and wife to Richard A. Neu and wife. The recording charges and my fee.

Mr. RICE. It seems to me that the other day when we were discussing this transaction you had some correspondence with Sullivan and his wife suggesting that a mortgage would be appropriate to cover the situation under the circumstances.

Mr. VOLKART. I don't know that it was a letter. I think after we talked for awhile it came back to me that a mortgage suggestion was made by me rather than a deed. I felt at the time that Mr. and Mrs. Tredick Ford should not make an out-and-out conveyance and strip themselves of the farm; that a mortgage would secure the daughter in whatever amount she had advanced.

Mr. RICE. You have no correspondence covering that?

Mr. VOLKART. I don't have any correspondence. I brought everything that I seemed to have. As I told you, I never opened the file. I didn't examine the title. They brought deeds and said we would like to transfer this. I never had occasion to open a file as you would for a case where you have a title examination and title abstract or

a settlement adjusting taxes or house rent or anything of that kind.

Mr. RICE. From the way you explained that transaction to relieve the Fords of a burden of paying the interest on the Mitchell mortgage, do we assume that they are not paying interest to the Sullivans?

Mr. VOLKART. I would be very much surprised if they did. It is unusual to draw a mortgage without interest payments because something could happen to the Fords and the property would pass by will or by operation of law and the Sullivans would certainly be entitled to interest from that date on. I have never heard Mr. Ford say that he had paid any interest.

Mr. RICE. Will you go back a few years and tell the committee the background of Richard Neu, his first wife, and the Bel Air Avenue property, bringing it into possession of the Neu's?

Mr. VOLKART. The first Mrs. Neu—her maiden name was Arthur, an old Harford County family, and Mr. Neu was bookkeeper for C. W. Baker & Sons in Aberdeen, which at one time was a large canned-goods brokerage house. They had two sons, and the first Mrs. Neu died, I think, somewhere around 1947 or 1948. At that time Richard Neu, with his first wife, owned the property at 204 Bel Air Avenue in the town of Aberdeen that had been in their joint names. I don't know who the deed was prepared by. I did not. The property remained in that condition until 1944. At that time Mr. Neu came to me and said that Mrs. Ethel G. Sullivan had advanced money to them. They were at the time building a new home on Rogers Street in the town of Aberdeen and that they wanted to secure her. He didn't like to put a mortgage on it. He wanted a deed to Mrs. Sullivan. I prepared the deed, and at the time he did not tell me how much the money consideration was.

On September 9, 1949, I wrote to Mr. and Mrs. Richard A. Neu:

Herewith you will find deed to property at 204 Bel Air Avenue to Ethel G. Sullivan, which must be signed by both of you in the presence of a notary. When the deed is returned to me for recording, you must advise me of the purchase price, as the stamp taxes are determined upon the amount of consideration.

When the deed was brought to me by Mr. Neu on a Saturday morning, duly executed, then he told me the consideration was \$10,000. The deed will show that I placed \$11 Federal stamp taxes and \$11 State stamp taxes. At the same time I enclosed the deed for the property on Rogers Street from Richard Neu and wife to Tredick Ford and wife. The lot had been purchased by Gladys Neu, the wife of Richard Neu, and title taken in her name. I don't know who handled the transfer. I did not. They wanted to get it in joint names with the right of survivorship. So, the transfer was made to the father and mother of Mrs. Neu.

Mr. RICE. Tredick Ford and wife.

Mr. VOLKART. Yes. They simply were a conduit through which the title passed.

The CHAIRMAN. For which piece of property is that?

Mr. VOLKART. That is the Rogers Street property.

At the same time——

The CHAIRMAN. Do you mean they deeded it to the Fords and the Fords deeded it back to them?

Mr. VOLKART. Immediately. It was one transaction. We have in Maryland the tenancy by the entireties, on the legal assumption

that husband and wife are not two people, but one person, and a wife cannot create a tenancy by the entirety by a direct deed to the husband. It must pass through a third party first. In the same letter I wrote that I enclosed wills which I had prepared in line with their discussion, the Neus, and returned the old wills. Also returning the deed for the Bel Air property, the deed to the Rogers property, which they had given to me for the purpose of preparing the other deeds. If I had had the titles in my office, of course I would have had that information. I said, "When the several deeds have been duly executed, if you will return them to me I will have the necessary transfers made on the books of the county. I presume the 1949 taxes are paid as this is requisite before a transfer can be made. All deeds will be mailed to you from the clerk's office. The wills, of course, should be placed in a safety-deposit box."

That was in September 1949, and having returned the deed to Mrs. Ethel Sullivan, Mrs. Tredick Ford came to me some time in October and told me to prepare a deed for the Bel Air property——

Mr. RICE. You don't mean Mr. Tredick Ford?

Mr. VOLKART. No, Mrs. Tredick Ford came to me. The deed to the Bel Air Avenue property to Ethel Sullivan had been recorded on September 9, I think it was, 1949. In the early part of October, Mrs. Tredick Ford came to my home one evening and said that her daughter wanted to transfer the property to her. I told Mrs. Tredick Ford that I wouldn't prepare a deed on the oral say-so of the grantee, that I would want some writing from Mrs. Sullivan directing me to do so. I got this letter, which has a printed line on top:

Mrs. JIMMY SULLIVAN, 261 SW. Thirtieth Road, Miami, Fla.

Mr. VOLKART: I would like to have the Neu property on Bel Air Avenue, Aberdeen, transferred from Ethel Sullivan to Mrs. Mary Ford. Thank you.

Mrs. J. A. SULLIVAN.

The CHAIRMAN. Let me get this straight. Is that what you call the old residence on Bel Air Avenue?

Mr. VOLKART. Yes.

The CHAIRMAN. That says Neu property.

Mr. VOLKART. The Neu was the name of the former owner, N-e-u.

Mr. RICE. That is the old Neu, N-e-u property.

Mr. VOLKART. As a result I wrote to her direct and said:

DEAR MRS. SULLIVAN: Your mother, Mrs. Ford, has delivered to me a letter directing me to prepare a deed to transfer the property on Bel Air Avenue in Aberdeen which you recently acquired from your sister and brother-in-law, Mr. and Mrs. Richard Neu, to her. I am enclosing a deed which must be acknowledged by you and Mr. Sullivan before a notary public, who must witness your signatures as well as sign the acknowledgment and also give the date when his commission expires. If you will return it to me or to your mother, I will have it recorded in Bel Air. I am also advised that you are expecting to sell the property almost immediately and it occurs to me that you may hold this deed off the record for a while to see if you can make a quick sale and then you and Mr. Sullivan can transfer the property to the purchaser. However, if it is your desire to place it in your mother's name, there is no reason why you can't do so.

I have a copy of the deed that I prepared, but it never was returned to me executed.

Mr. ROBINSON. Do you want that in the record?

The CHAIRMAN. It has been read into the record, has it not?

Mr. RICE. Yes, I read it.

The CHAIRMAN. One thing I didn't understand. How was it you thought they were going to sell the property to someone else almost immediately?

Mr. VOLKART. At the same time Richard Neu asked me to prepare the deed transferring 204 Bel Air Avenue, Aberdeen, to Ethel Sullivan, I asked, "Is she moving up here or does she want to keep it for rent?"

He said, "No, she will sell it as quick as she can."

I think the sale was made within a few weeks after that.

The CHAIRMAN. She did sell it, then, later on, the Neu property on Bel Air?

Mr. VOLKART. Yes. Mrs. Sullivan. The deed must have gone on record from Mr. and Mrs. Sullivan to the purchaser.

The CHAIRMAN. Who was the purchaser?

Mr. VOLKART. I don't know.

The CHAIRMAN. Do we have that?

Mr. RICE. Major Rice, a major at the Aberdeen Proving Grounds.

The CHAIRMAN. What did he pay for it?

Mr. RICE. He paid \$10,500 in December of 1949, just a month or so after that.

The CHAIRMAN. In cash? That is what those checks were for?

Mr. RICE. Yes.

Will you tell us about the retention of some interest in the property on the part of the sons of Mr. Neu by his first marriage?

Mr. VOLKART. Mr. and Mrs. Neu obviously had an understanding that the value of the property on Bel Air Avenue which primarily came through the mother of his sons, that they should be protected, and we had prepared a number of papers which were not satisfactory, neither Mr. nor Mrs. Neu would give the boys a mortgage for that amount, nor did they want to make a conveyance reserving a life estate. Mrs. Neu, being considerably younger than Mr. Neu, felt that she doesn't know what she may want to do in the future with the property. We finally just recently had reached this ending to that. I don't know whether it has been signed or not, but I sent it to them.

The undersigned hereby acknowledge and certify that Willard H. Neu, at present residing—

one in Pittsburgh and one in Oklahoma. I didn't have the exact place. I left that vacant—

has an equity and/or interest in the amount of \$5,000 in the land presently situated on Rogers Street in Aberdeen in Harford County, Md., where the undersigned now live, and said Willard H. Neu is to receive the sum of \$5,000 without interest in the event the above-mentioned property is sold during the lifetime of either of the undersigned. If the property is not sold during our respective lifetimes, we herein agree and covenant with Willard H. Neu jointly and severally that we will make and execute a last will and testament in which said Willard H. Neu is to receive a legacy in the amount of \$5,000, but this is not to be a limitation of a larger legacy that may be bequeathed to him. In witness whereof we have hereunto set our hands and seals this blank day of blank, in the year one thousand nine hundred and fifty—

and an acknowledgment has been prepared for Mr. and Mrs. Neu—

We acknowledge the foregoing are our respective acts—

and so forth.

I told them that it was an unsatisfactory way, but I did feel that they were protected, certainly in case of death, because under the

Maryland law you can't make an agreement to devise your property or lease a legacy to someone. That was sent out recently.

Mr. RICE. What evidence do the sons now have of the equity?

Mr. VOLKART. If this paper is signed by Mr. and Mrs. Neu, each one that will be their evidence. I think they are in touch with Aberdeen sales of property at the time where they live now, which are not made overnight. I think they would have to have ample notice of the sale and would be able to come in and put in a claim for the \$5,000.

The CHAIRMAN. Does that refer to the Rogers Street property?

Mr. VOLKART. That is the Rogers Street property.

The CHAIRMAN. Let me see if I understand. Mr. Neu by a former wife had these two sons.

Mr. VOLKART. Yes.

The CHAIRMAN. These two sons are claiming some kind of interest in the Rogers Street property; is that right?

Mr. VOLKART. They are not claiming it. It was an understanding between Mr. and Mrs. Neu that his sons by the first marriage should have what the home property was worth, which their mother really acquired and paid for.

Mr. RICE. It was her property really.

The CHAIRMAN. The home property refers to Bel Air?

Mr. VOLKART. 204 Bel Air Avenue.

The CHAIRMAN. The Bel Air property.

Mr. VOLKART. Yes.

The CHAIRMAN. So they propose to give this to them.

Mr. VOLKART. I don't know whether it has been executed or not.

The CHAIRMAN. Anyway, they propose to give them this interest in the Rogers Street property in lieu of what interest they may have had in the Bel Air Avenue property.

Mr. VOLKART. Yes. Absolutely they had no legal right to anything—

The CHAIRMAN. But this is something they wanted.

Mr. VOLKART. This is something that Mr. and Mrs. Neu agreed on to protect the boys as much as possible.

Mr. RICE. You said Mr. and Mrs. Neu. You mean Gladys Neu?

Mr. VOLKART. Gladys Neu and Richard Neu; yes.

Mr. RICE. Suppose Richard Neu died tonight: wouldn't Mrs. Gladys Neu have the property in fee simple, with no recorded interest on the part of the boys?

Mr. VOLKART. No recorded interest. They wouldn't do that. That is what I wanted to do, but they wouldn't do it.

The CHAIRMAN. All right.

Mr. RICE. During the negotiations for the sale and purchase of the Rogers property and the Bel Air Avenue property, did either of the Sullivans appear in Maryland?

Mr. VOLKART. Mrs. Sullivan?

Mr. RICE. Yes.

Mr. VOLKART. I don't think I ever laid eyes on her. I have heard that she was visiting, but I didn't see her, as far as I can recollect.

Mr. RICE. I think that is all I have.

The CHAIRMAN. Mr. Volkart, we appreciate your cooperation. You will of course keep your records in your permanent files?

Mr. VOLKART. Oh, yes. May I say this: From the time that I got this summons, I didn't have much time to look because I didn't have a

file. The things are scattered. I would be very glad when I get back to Baltimore tomorrow to look again, and if you are correct, I would be glad to send you whatever correspondence there was in connection with the \$7,500 mortgage.

The CHAIRMAN. We would appreciate that very much and any other information that sheds light on the matter.

Mr. VOLKART. If there is any such thing, I will get the small files out again. Shall I mail it to you right here?

Mr. RICE. Yes.

The CHAIRMAN. Thank you very much, Mr. Volkart. We are glad to have had you.

TESTIMONY OF MAJ. THOMAS A. RICE AND MRS. RUTH M. RICE, ABERDEEN, MD.

Do you solemnly swear the information you will give this committee will be the truth, the whole truth and nothing but the truth, so help you God?

Major RICE. I do.

Mrs. RICE. I do.

Mr. RICE. I think it would be agreeable if you both answer, if one has the answer and the other one doesn't or vice versa.

The CHAIRMAN. For the record will you give your name and station and address.

Major RICE. Maj. Thomas A. Rice, Aberdeen, Md.

Do you want my residence address, too?

Mr. RICE. Yes.

Major RICE. West Bel Air Avenue, Aberdeen, Md.

Mrs. RICE. Mrs. Ruth M. Rice.

Mr. RICE. What is your home town, Mrs. Rice?

Mrs. RICE. Aberdeen, Md.

Mr. RICE. Your home town, where you were born and raised?

Mrs. RICE. Washington, D. C.

The CHAIRMAN. Where did you come from, Major Rice?

Major RICE. Los Angeles, Calif.

The CHAIRMAN. The service brought a lot of people together.

Major RICE. Actually we were brought together before the service in Washington.

Mr. RICE. Going back to 1949 will you tell the committee the circumstances surrounding the acquisition of the property on Bel Air Avenue in Aberdeen; how you came to buy the property?

Major RICE. Yes. My wife and I arrived in Aberdeen and found it almost impossible to rent a place. There were no quarters available on the post, so we inquired from a number of real-estate dealers in Aberdeen as to what might be available for sale. We found out from Mr. Paul Cronin, an attorney and real-estate broker in Aberdeen, that a house was for sale at 204 West Bel Air Avenue. We thought at the time that it was being sold by Mr. and Mrs. Neu, who had lived in the house prior to the sale and who had just built a new house in town, and conducted, I suppose, the usual negotiations in connection with acquiring real estate wherein a sale price was given us and an offer was in turn made by us through the real-estate agent and was accepted. Later, we found in the transfer of the title, or rather, actually in ac-

completing the sales contract or a contract for the sale, that the title to the house and lot was in the name Sullivan, rather than Neu. Mrs. Neu at that time explained that Mrs. Sullivan was her sister and that she was acting for her in the sale. So the real-estate dealer assured us that that made no difference, that the papers would just be slightly delayed by the mail time from Aberdeen and return from Miami. So a sales contract was drawn up approximately the middle of November, and the sale was consummated on December 1, at which time payment was made and the title was transferred and recorded.

Mr. RICE. What was the purchase price that you agreed on?

Major RICE. \$10,500.

Mr. RICE. Do you have a copy of the contract of purchase?

Major RICE. Yes; I have. This is not a copy. This is the original contract.

The CHAIRMAN. Do you want to read this into the record?

Mr. RICE. I think so.

The CHAIRMAN. Do you have a copy?

Mr. RICE. No; we do not.

The CHAIRMAN. The main part is the signatures of Ethel G. Sullivan, James Sullivan, the sellers, and Thomas A. Rice, Ruth M. Rice, apparently the grantees or buyers; \$10,500, Bel Air Avenue, dated the 9th day of November 1949.

(Photostats of agreement of sale and deed, covering 204 West Bel Air Avenue, Aberdeen, Md., signed by Ethel G. Sullivan and James Sullivan, were marked "exhibit No. 172," and appear in the appendix on p. 793.)

Mr. RICE. Just prior to the selling of the property, did you have any instructions as to whom the checks should be drawn in favor of?

Major RICE. Yes.

Mr. RICE. Incidentally, with respect to the deposit, to whom was the check drawn?

The CHAIRMAN. That is the \$500 check.

Major RICE. I don't recall.

The CHAIRMAN. Was it paid by check or cash?

Mrs. RICE. It was paid by check, but I don't have the check with me.

The CHAIRMAN. Mr. Rice has made an examination, and the check was deposited to Mrs. Neu's account. But you do not know of your own knowledge?

Mrs. RICE. I have to check my own account.

The CHAIRMAN. Will you do that and advise us, that is, to whom the check was made, and the date, and who endorsed it?

Mrs. RICE. Yes.

Mr. RICE. Just prior to the settlement of the property on the 1st of December, did you receive instructions as to whom the check should be drawn in favor of?

Major RICE. Yes. Let us go back before the 1st of December. When it became apparent through the sales contract that the prior title was in the name of Sullivan, I asked Mr. Cronin if it would be proper for me to pay Mrs. Neu for the house, in view of the fact that the actual title rested with her sister and husband. Mr. Cronin said that I should have some sort of a note instructing me to do so. Whereupon, Mrs. Neu wrote to Miami and obtained from her sister, Mrs. Sullivan, a hand-written note. It was returned to Mrs. Neu in a personal letter

and Mrs. Neu in turn handed it to me, which authorized me to pay her for the house when the settlement was made. Then on the 1st of December—

The CHAIRMAN. Do you have the note?

Major RICE. No; that I cannot find and I have searched both at home and in my safety-deposit box, and I apparently do not have the note.

The CHAIRMAN. Was it signed by Mrs. Sullivan, or by Mr. and Mrs. Sullivan?

Major RICE. It was signed by Ethel G. Sullivan.

The CHAIRMAN. Was it signed by Jimmie Sullivan?

Major RICE. No; it was not.

The CHAIRMAN. All right.

Major RICE. But that note was what I took as authority for making out the actual check in payment for the house to Mrs. Neu.

Now, you asked if I had any instructions on the 1st of December.

Mr. RICE. Yes.

Major RICE. In Mr. Cronin's office, when actual payment was being made, I asked Mrs. Neu how she wanted the check made out and she asked me if it would make any difference to me if I were to make out two checks for \$5,000 each to her, which was what I did.

Mr. RICE. Are those the checks?

Major RICE. Those are the checks.

Mr. RICE. Will you describe them?

Major RICE. Describe them?

Mr. RICE. Yes.

Major RICE. They are checks Nos. 4 and 5 on my account at the First National Bank, at Aberdeen, Md., both dated December 1; check No. 4, bearing the inscription "Payment for house" and check No. 5, bearing the inscription "Final payment for house," each in the amount of \$5,000. Both were apparently paid, the first being paid on the 2d of December and the second check being paid on the 7th of December, according to the perforated cancellations.

(Photostats of three checks, signed by Thomas A. Rice, payable to the order of Gladys F. Neu, in amounts of \$5,000, \$5,000, and \$50, respectively, were marked "exhibit No. 173," and appear in the appendix on p. 796.)

Mr. RICE. Was any reason given to you as to why two checks were preferable to one?

Major RICE. No; she gave me no reason at the time. It seemed to me at the time to be in the nature of a personal convenience for some reason that was unknown to me, and did not appear to be of any importance, since the total amount was the amount due and the amount agreed upon for the house.

Mr. RICE. Now, at the same time, did you receive a deed?

Major RICE. Yes, I did. At the same time I saw a deed which, of course, the attorney took and had recorded and I got it in a matter of a few days later.

The CHAIRMAN. This deed is dated the 1st day of December 1949, signed by Ethel G. Sullivan and James Sullivan and refers to the Bel Air Avenue property; attestation of Gladys F. Neu. Notarized in the State of Florida, city of Miami, before Betty Jane Oswald, notary public, 20th day of November 1949. It has tax stamps on it; it seems

to be recorded December 2, 2:46 p. m., 1949; and it records Harford County, Md.

Mr. RICE. During the transaction by which you acquired the property, did you ever have any dealings with either one of the Sullivans?

Major RICE. I didn't even meet either one of them. I never saw them. [To Mrs. Rice.] Did you?

Mrs. RICE. No.

Mr. RICE. As far as you know, they have not been in Aberdeen or Maryland during that time?

Major RICE. During these transactions, no; as far as we know.

The CHAIRMAN. Are there any questions, Senator Hunt?

Senator HUNT. Did you receive an abstract of title to the property when you purchased it, or do you just have the deed certifying that the abstract is clear and the property has no encumbrance?

Major RICE. I have a note from the attorney in Aberdeen. I believe I have it with me. In Harford County, it seems to be the standard procedure for determining whether a piece of real estate is clear, that is, just to have one of the local attorneys clear it. That reads:

DEAR MAJOR AND MRS. RICE: Please be advised that I have examined title of premises known as 204 West Bel Air Avenue and find that fee simple title is in Ethel G. Sullivan. This property is free and clear of all encumbrances and deed delivered to you this date transferring said property to you conveys a clear title.

It is signed by N. Paul Cronin, attorney at law.

Senator HUNT. He is just an attorney. Is he considered an officer of the court?

Major RICE. He happens also to be a magistrate.

Mr. RICE. That is dated December 1, 1949?

Senator HUNT. You do not have, then, a clear certificate of title excepting this letter?

Major RICE. Excepting that letter and the actual deed. That is correct.

Senator HUNT. And yet if you wanted to dispose of this property and found from your own investigation that the title was not clear, then, of course, you would be in a little difficult situation, would you not?

Excuse me, just a minute. Is this the accepted usual method of handling property transactions back here?

Mr. RICE. As far as I know—not in Washington. You have the insured title and the certificate of title from a title company. But in Maryland, apparently, the lawyers certify it.

Major RICE. Although this is the first time I have ever owned a piece of property, I inquired at the time if it would be necessary to clear the title with a guaranty title trust company of some sort and was advised by any number of old-time residents of Aberdeen that this is routine in Harford County, and apparently throughout Maryland.

Senator HUNT. What I am getting at is this: I would like to see how and when and where and for what the Sullivans received title to the property. That is what I was wondering about.

Major RICE. That is covered briefly. You say when and where. At least those two questions are answered in this sales contract, which reads in part:

Being the same and all the land as described in a deed from Richard A. Neu and wife to Ethel G. Sullivan, and dated September 16, 1949, and recorded among the land records for Harford County in Lieber No. 334, folio 326.

Mr. RICE. That was in September of 1949 and Mr. Volkart testified that the consideration was \$10,000, according to what Mr. Neu told him, and he put the necessary stamps on it and recorded it.

Senator HUNT. During your negotiations in buying the property, did Mr. or Mrs. Neu speak of the Sullivans to any extent? Did they suggest how the Sullivans happened to be involved in the property?

Major RICE. Mrs. Neu told us that the title actually rested with her sister, when it came time to sign an agreement, and that had to be signed by her sister and her husband.

Senator HUNT. Did they indicate to you who the Sullivans were?

Major RICE. Other than the fact that Mrs. Sullivan was her sister, they did not indicate to me.

Did they to you [to Mrs. Rice]?

Mrs. RICE. No; simply that they were the Sullivans in Miami.

Major RICE. Yes; that they were in Miami, and that Mrs. Sullivan was Mrs. Neu's sister. That is all.

Senator HUNT. I have no more questions.

Mr. RICE. I think that is all.

Senator HUNT. Thank you very kindly, Major and Mrs. Rice. It was kind of you to come up and help us with your testimony.

Major RICE. Thank you, Senator.

**TESTIMONY OF RICHARD A. NEU, ABERDEEN, MD., ACCOMPANIED
BY JOHN L. LASKEY, ATTORNEY**

Senator HUNT. Mr. Neu, would you please stand and be sworn?

You do solemnly swear that the testimony you are about to give is the truth, the whole truth, and nothing but the truth, so help you God?

Mr. NEU. Yes, sir.

Mr. RICE. I understand, Mr. Laskey, that you would like to make an explanation with respect to Tredick Ford.

Mr. LASKEY. Yes, I would.

I was retained in this matter last night by telephone, and retained in the matter both by Mr. and Mrs. Neu and Mr. Ford.

I had a telephone conversation this morning at my house at approximately 8:15 from a Dr. Rodman of Aberdeen, Md. Dr. Rodman said that he had been asked to say whether or not Mr. Ford could properly appear in response to the subpoena which was served on him last night.

Dr. Rodman asked if the request emanated from me and I said it did not. He further said that he was not in a position to say whether Mr. Ford could or could not appear, but he also said that Mr. Ford had been under his professional care for a matter, I believe he said, of 2 years. He was a man 76 years of age and was extremely nervous, and that the most he would request was to have an opportunity to determine whether or not he could appear. He thought that he could, but he also thought that the suddenness of the subpoena and the urgency of the appearance today requiring him to leave Aberdeen at 8 might have a detrimental effect, and he would like to have an opportunity to further examine his patient before he said one way or another.

I indicated that I would communicate and join in that request. Neither Dr. Rodman nor I are in a position to say that he is unable to appear, and we expect that he would be, but we did not want him to take the risk of appearing today.

The CHAIRMAN. We will see further about it and get in touch with you.

Mr. RICE. Will you state for the record, sir, your name and address?

Mr. NEU. Richard A. Neu, N-e-u, Aberdeen, Md.

Mr. RICE. Where are you employed?

Mr. NEU. Viele & Co., lumber dealers.

Mr. RICE. You are appearing here in response to a subpoena?

Mr. NEU. Yes, sir.

Mr. RICE. Did you bring any papers with you?

Mr. LASKEY. May I say with respect to the subpoena that it called for so many documents, and was so sweeping in character, that we felt that we were unable to comply with it fully, or rather, Mr. Neu felt that he was not. We are perfectly willing to produce any document that might be relevant to any matter which the committee has under investigation. But this calling for papers from 1944 to date, we take the position that it is far too sweeping to enable us to comply with it at this time.

The CHAIRMAN. I think the subpoena states about as definitely as it is possible to state the nature of the papers we want. We can probably give you a better idea as we go along with respect to what we want, and you will be willing to produce those?

Mr. LASKEY. Yes. We would like to inquire generally the nature of the investigation. We understand that this committee, as other congressional committees, has very sweeping powers, and we are anxious to cooperate with the committee. But we do think there is some limitation on the part of the committee, as I understand the decisions, and while witnesses have a very tremendous hazard in determining whether or not to answer committee questions, they do have a right to form an intelligent opinion as to whether they are required to answer. To do that, I think it only fair that we know to some extent what the committee would like to inquire into.

The CHAIRMAN. If you and Mr. Neu are willing to cooperate with us, we will get along all right.

Mr. LASKEY. I am sure we will, Senator.

The CHAIRMAN. What we want to inquire into, I might say, is this: What were the financial transactions between Mr. and Mrs. James Sullivan and Mrs. and Mr. Neu, and how did they come to be?

Mr. NEU. The transactions were mostly between Mrs. Sullivan and my wife, Mrs. Neu.

The CHAIRMAN. Suppose you go along and tell us what you know about it, and Mr. Rice will ask any further questions he deems necessary.

Mr. LASKEY. Might I ask leave to advise the witness that he should restrict himself to what he has personal knowledge of?

The CHAIRMAN. Yes; that is right.

Mr. NEU. You mean you want to know about the house?

The CHAIRMAN. That is right. I think the record shows that you and Mrs. Neu had this house on Bel Air Avenue?

Mr. NEU. Yes, sir.

The CHAIRMAN. I am just going over this, and you tell us in detail about the matter. You and your wife deeded this house to Mrs. Sullivan. Then you built a house on Robers Street, for which you paid on a cash-plus basis probably about \$19,000 or \$20,000. We want to know what the whole transaction was, Mr. Neu.

Mr. NEU. Well, the approximate value was about \$15,000 plus the price of the lot, which was \$2,500, as near as I can recall. We deeded the house to Mrs. Sullivan and she later sold it to Major Rice and his wife for \$10,500, of which \$500 belonged to the brokers in the transaction. In other words, \$10,000 net, which we applied on the new house. In other words, when we deeded the house over to her we estimated the value to be that much.

The CHAIRMAN. Then she sent you \$10,000, or your wife?

Mr. NEU. No. Major Rice paid the \$10,000.

The CHAIRMAN. Then what was the purpose of deeding the house to Mrs. Sullivan?

Mr. NEU. Well, to reimburse her for part of the money she advanced to build the house. That transaction was, as I say, between Mrs. Sullivan and Mrs. Neu. She could tell you better about that than I could.

The CHAIRMAN. You mean Mrs. Sullivan advanced some money, as to which your wife can state more exactly, with respect to building the house on Rogers Street?

Mr. NEU. That is right.

The CHAIRMAN. So you gave Mrs. Sullivan a deed to the house on Bel Air Avenue for \$10,000?

Mr. NEU. That is right.

The CHAIRMAN. Which she sold to the Rices for \$10,000?

Mr. NEU. Yes; \$10,500, of which \$500 went to the brokers in it.

The CHAIRMAN. Now, you are all getting \$10,000 from Mrs. Sullivan?

Mr. NEU. Well, Mrs. Neu will have to answer that. I did not enter into that at all.

The CHAIRMAN. How much do you make, Mr. Neu?

Mr. NEU. Now?

The CHAIRMAN. Yes.

Mr. NEU. \$50 a week.

The CHAIRMAN. Has that been your salary for some time?

Mr. NEU. No; I did not get quite that much. I was just advanced about 2 months ago. It was \$47.50 then. Now it is \$50.

The CHAIRMAN. You did not have any \$10,000 to be putting into a house, then, did you?

Mr. NEU. No, indeed; no, sir.

The CHAIRMAN. Do you know what the total amount you got from Mrs. Sullivan was, that is, you and your wife?

Mr. NEU. No, sir; I could not answer that.

The CHAIRMAN. Was it in excess of \$10,000?

Mr. NEU. I could not answer that. She gave her a little all along, a couple of thousand one time, a couple of thousand maybe another time, and so on, until the house was completed.

The CHAIRMAN. Mr. Rice, excuse me. I know you know better what to ask than I. I apologize. You go ahead.

Mr. RICE. Back in August of 1948 the Rogers Street lot was bought; is that correct?

Mr. NEU. What is the date of that?

Mr. RICE. In August of 1948.

Mr. NEU. That is correct.

Mr. RICE. And the purchase price of the lot was how much?

Mr. NEU. \$2,500. Either \$2,000 or \$2,500. I am not sure which. Mrs. Neu would know that better than I.

Mr. RICE. That was bought from Blackburn?

Mr. NEU. That is right.

Mr. RICE. What was the source of the money for the purchase of that lot?

Mr. NEU. My wife had that money. She had that money.

Mr. RICE. In a separate account?

Mr. NEU. Well, she had it in the bank, in the Aberdeen Bank, which she had previously gotten, I think, from Mrs. Sullivan.

Mr. RICE. So the money that was used to acquire the lot was originally obtained from Mrs. Sullivan?

Mr. NEU. I would say so.

Mr. RICE. Do you know how long before the lot was bought?

Mr. NEU. No; I could not tell you that.

Mr. RICE. Days or a week?

Mr. NEU. Mrs. Neu could probably tell you that.

Mr. RICE. Do you know whether that was in cash or by check?

Mr. NEU. I couldn't answer that.

Mr. RICE. Did Mrs. Sullivan bring it up or send it up?

Mr. NEU. She came to Aberdeen on several occasions and gave Gladys some money, but, as I say, you will have to ask Mrs. Neu about that.

Mr. RICE. Was any reason given for advancing money to her, or giving money to her sister?

Mr. NEU. Only to pay on the house. We had to pay the contractor every month.

Mr. RICE. But did she give any reason why she wanted to build a house for you and Mrs. Neu?

Mr. NEU. Not especially, no.

Mr. RICE. Now, then, who was the contractor in connection with the building of the house?

Mr. NEU. Mr. Gwynn.

Mr. RICE. Mr. William Gwynn?

Mr. NEU. William R. S. Gwynn.

Mr. RICE. Of Havre de Grace?

Mr. NEU. Yes.

Mr. RICE. What were the arrangements as to the contract? Was it an estimate or a cost-plus?

Mr. NEU. We wanted it built on a percentage basis, cost plus. In other words, being connected with Viele Lumber Co., I got the lumber at a wholesale price, which made the house a little cheaper than it otherwise would have been. So it was on a 10 percent basis.

Mr. RICE. So he had a 10-percent override over the actual cost of labor and materials?

Mr. NEU. That is right.

Mr. RICE. Did he give you an estimate in advance on the basis of the plans you gave him, as to what the ultimate over-all cost would be?

Mr. NEU. Well, I think he said around \$16,000 or \$17,000. I am not sure which. It was around that.

Mr. RICE. And during what period was the house built?

Mr. NEU. It was started in the early part of October 1948 and finished in April 1949. We moved in on the 25th of April.

Mr. RICE. Now, then, in the meantime you had been living on Bel Air Avenue?

Mr. NEU. That is right.

Mr. RICE. And you put a tenant in the Bel Air Avenue house after you moved out?

Mr. NEU. Yes.

Mr. RICE. Did the total cost on the Rogers Street house closely approximate the estimate, or did it run more?

Mr. NEU. Well, it ran nearly about what he said it was going to cost.

Mr. RICE. That was about \$18,000?

Mr. NEU. Around \$17,000 or \$18,000.

Mr. RICE. Did that include a garage?

Mr. NEU. No. I had that built later and paid for it myself.

Mr. RICE. How much did that cost?

Mr. NEU. \$656.

Mr. RICE. Now, what were the arrangements with Mr. Gwynn as to monthly statements, or weekly statements? How did you pay him? Did he present a statement to you once a month?

Mr. NEU. I have his bills with me.

Mr. RICE. How often?

Mr. NEU. Once a month; the end of each month.

Mr. RICE. You would review those and pay those?

Mr. NEU. That is right. I have receipts for all of those.

Mr. RICE. You had no construction loan?

Mr. NEU. No, sir.

Mr. RICE. And no mortgages or encumbrances on the lot or property?

Mr. NEU. Not a penny.

Mr. RICE. And it is free and clear now?

Mr. NEU. Absolutely.

Mr. RICE. When these statements were presented, how did you pay them—by check or cash?

Mr. NEU. Mostly cash.

Mr. RICE. Where did the cash come from?

Mr. NEU. That came from the money that Mrs. Sullivan had given Mrs. Neu.

Mr. RICE. Where did you keep that money?

Mr. NEU. Well, I think we kept it in the house, because we paid out every so often. We just kept it in the house.

Mr. RICE. Do you have any idea just how much money that was?

Mr. NEU. No, I wouldn't like to make a guess on that. Probably three or four thousand dollars; then later on we got a little more, and so on, until the house was paid for.

Senator HUNT. Will you ask the witness how that money was transmitted to Mrs. Neu by Mrs. Sullivan; through the mails, or how did she get it?

Mr. NEU. She came to Aberdeen frequently, and occasionally it was mailed to us.

Mr. RICE. Cash?

Mr. NEU. Yes, sir.

Mr. RICE. She mailed cash through the mail?

Mr. NEU. Yes.

Mr. RICE. That went directly to the Bel Air Avenue house where you are living?

Mr. NEU. That is right.

Senator HUNT. May I ask you, Mr. Neu: Why was that unusual method taken of sending the money?

Mr. NEU. You will have to ask my wife about that because I did not get into that end of it at all. The only point I was interested in was the house on Bel Air Avenue, which was turned over to Mrs. Sullivan as part payment of the new house. That is as far as my interest went.

Mr. RICE. But during the time that you were building the Rogers Street place, did Mrs. Sullivan come to Aberdeen?

Mr. NEU. Yes, indeed.

Mr. RICE. How many times?

Mr. NEU. Oh, I would say three or four times.

Mr. RICE. Then it was completed in April?

Mr. NEU. April 1949.

Mr. RICE. And in September, the Bel Air Avenue house was deeded to Ethel Sullivan?

Mr. NEU. I guess that is about the right month. I haven't that in my mind, but I think that is about right.

Mr. RICE. And it was then sold to Major Rice and his wife?

Mr. NEU. In October, wasn't it?

Mr. RICE. In December, I believe.

Mr. NEU. Shortly after that.

The CHAIRMAN. November or early December.

Mr. NEU. That is right.

Mr. RICE. Do you recall the arrangements made at settlement, by which the Rices paid the Sullivans or the Neus?

Mr. NEU. It is my impression that Mrs. Sullivan wrote Mrs. Neu a note, or to Major Rice, to let the checks come to Mrs. Neu.

Mr. RICE. Why was that?

Mr. NEU. And they were made out to Mrs. Neu.

Mr. RICE. Why was that?

Mr. NEU. I wouldn't know. That is another question Mrs. Neu will have to answer.

Mr. RICE. As far as you know, was there any plan to reimburse Mrs. Sullivan for the money she advanced in connection with the construction of the Bel Air Avenue house?

Mr. NEU. Only through the sale of the Bel Air Avenue house.

Mr. RICE. When the Bel Air Avenue house was sold, did the money go back to Mrs. Sullivan?

Mr. NEU. Yes.

Mr. RICE. How did that go back?

Mr. NEU. That went back, as far as I recall, as cash.

Mr. RICE. Well, why would that be preferred over having checks drawn to Mrs. Sullivan?

Mr. NEU. Well, I don't know. I haven't any reason to state why, but that is probably the way she wanted it.

Mr. RICE. Who is "she"?

Mr. NEU. Mrs. Sullivan, and we just cashed the checks that Major Rice gave us.

Mr. RICE. At the bank?

Mrs. NEU. Yes.

Mr. RICE. And sent the money? Did you send the money yourself?

Mr. NEU. Mrs. Neu handled that.

The CHAIRMAN. Sent \$10,000 through the mail?

Mr. NEU. I don't know whether she sent it through the mail or whether Mrs. Sullivan came up later and got it. She will have to tell you about that.

The CHAIRMAN. Both you and Mrs. Neu had bank accounts, did you not?

Mr. NEU. At the Aberdeen Bank; yes, sir.

The CHAIRMAN. At that time?

Mr. NEU. Yes, sir.

Mr. RICE. The money was not deposited in a bank, was it?

Mr. NEU. That cash money? No, sir.

Mr. RICE. Where was that \$10,000 kept during the period prior to its being delivered to Mrs. Sullivan?

Mr. NEU. I kept it in the safety-deposit box in Aberdeen Bank.

Mr. RICE. Did you have a safety deposit in the Aberdeen Bank?

Mr. NEU. Yes, sir.

The CHAIRMAN. Do you have it now?

Mr. NEU. Yes; have had for years.

The CHAIRMAN. How long did you keep it there before you sent it to Mrs. Sullivan?

Mr. NEU. The money?

The CHAIRMAN. Yes.

Mr. NEU. I really would not know. I couldn't answer that question.

The CHAIRMAN. I mean, a month? Two months?

Mr. NEU. I turned it over to Mrs. Neu and she took care of it from then on.

Senator HUNT. Does Mrs. Neu also have a safety-deposit box?

Mr. NEU. No, sir.

The CHAIRMAN. How long did you keep it before you turned it over to her?

Mr. NEU. Possibly I would say about a month or so.

Senator HUNT. You would send that money back down to Florida, then. Did you register it?

Mr. NEU. As a matter of fact, I don't think the money was sent back to Florida. I think she sent it to her mother's but, as I say, Mrs. Neu knows more about that than I.

Senator HUNT. When you received the money from Mrs. Sullivan, did it come by registered mail or just ordinary mail?

Mr. NEU. Well, I would rather you asked Mrs. Neu about that, because it was addressed to her, you see.

The CHAIRMAN. Is there anything else, Mr. Rice?

Mr. RICE. Yes, sir. During the period from September to the 7th of December 1949—that was the period when the property was transferred to Mrs. Sullivan, and then to the Rices—was Mrs. Sullivan or Jimmie Sullivan in Maryland?

Mr. NEU. Jimmie, I can say, was not, but Mrs. Sullivan was probably in Maryland between those dates. Just what particular time, I could not answer.

Mr. RICE. Well, it was necessary to have the deed executed by the Sullivans?

Mr. NEU. That was executed in Florida.

Mr. RICE. It was mailed to Florida?

Mr. NEU. That is right. I remember about that, because I mailed that myself.

Mr. RICE. Did Mrs. Neu go down to Florida during that time?

Mr. NEU. Not during that time; no sir.

Mr. RICE. I think that is all.

Senator HUNT. I wanted to ask you, Mr. Neu—if I may, Mr. Chairman. During these negotiations and transactions and sending money back and forth and arranging for the payment of the monthly statement from the contractor, you, of course, and Mrs. Neu, were talking this over constantly, and you knew everything that was going on. Tell us, why did you use these unusual methods of sending money, cash money, through the mail? You can answer that, Mr. Neu. You know why it was done. Tell us why it was done.

Mr. NEU. I have not any reason to tell you. I don't know just why it was done. I don't know that.

Senator HUNT. You are a businessman. You know that that is not an ordinary way to do business. Somebody was trying to conceal something, and we want to know why it was and what.

Mr. NEU. I say that is a matter Mrs. Neu will have to tell you.

The CHAIRMAN. You tell us about it, Mr. Neu. You know about it.

Mr. NEU. I couldn't tell you anything about it, to tell you the truth, because she mailed the letters; that is, Mrs. Sullivan mailed the letters to Mrs. Neu, and there was no money went back to Mrs. Sullivan in Florida. The money was kept in the Aberdeen apartment.

Senator HUNT. I thought you testified awhile ago that you put the money in a safety deposit box for a while, about a month, you thought, and then it was sent down to Mrs. Sullivan?

Mr. NEU. It was sent to Mrs. Sullivan indirectly, through Perryman.

The CHAIRMAN. You mean the money is still there?

Mr. NEU. I think so.

The CHAIRMAN. You mean, with Mrs. Sullivan's mother and father?

Mr. NEU. Yes, sir.

Senator HUNT. In a bank or in the house?

Mr. NEU. They are keeping it there.

Senator HUNT. In a safety deposit box or in the house?

Mr. NEU. They have a separate compartment where they keep it. I don't know where it is, but it is not in the bank.

Senator HUNT. Do you know the reason why we have asked you to come down here? Do you know what the committee is trying to get at?

Mr. NEU. I imagine it is an aftermath of this Florida investigation. That is the only thing I can figure out.

Senator HUNT. How close are you to that situation?

Mr. NEU. Well, I am Gladys's husband. That is about as close as I am to it.

Senator HUNT. Do you and your wife talk over the Florida situation?

Mr. NEU. Do we talk it over?

Senator HUNT. Yes.

Mr. NEU. Not especially.

Senator HUNT. Do you know, Mr. Neu, how much money altogether Mrs. Sullivan has sent to Mrs. Neu?

Mr. NEU. No, sir.

Senator HUNT. Do you know how much money Mrs. Sullivan has sent to Mr. and Mrs. Ford?

Mr. NEU. I couldn't answer that question.

Senator HUNT. How long ago did these gifts of money start? Do you remember when the first were received?

Mr. NEU. Why, I would say when we started to build the home.

Senator HUNT. You do not have knowledge of any transactions, or of Mrs. Neu receiving any sums of money prior to that time?

Mr. NEU. No, sir; I wouldn't know that.

Senator HUNT. And you do not know how much money Mrs. Sullivan has given Mrs. Neu altogether? You do not know the total amount?

Mr. NEU. I wouldn't know. I would say in the neighborhood of maybe \$12,000 or something like that.

Senator HUNT. Have you got any idea of how much money they advanced to Mr. and Mrs. Ford?

Mr. NEU. No, sir. But I did hear my wife say it was a mortgage for \$7,500. That is as far as I know anything about that.

Senator HUNT. Would you think an estimate of \$30,000 advanced to Mr. and Mrs. Ford and to Mrs. Neu would be about the figure?

Mr. NEU. I would say that that would be excessive, although, as I say, Mrs. Neu is more familiar with that end of it than I am.

Mr. LASKEY. Excuse me, Senator. Was that a combined amount for the Neus and the Fords?

Senator HUNT. Yes. That is all I have to ask, Mr. Chairman.

The CHAIRMAN. Mr. Neu, did you or Mrs. Neu get in touch with Mrs. Sullivan yesterday or last night?

Mr. NEU. Mrs. Neu called her.

The CHAIRMAN. What was the purpose of that?

Mr. NEU. She wanted to know just what we should do and what all this was about.

The CHAIRMAN. What understanding did you come to about it, if any?

Mr. NEU. She got in touch with Mr. Laskey here and we arranged to come down to see him this morning.

Senator HUNT. Who got in touch with Mr. Laskey?

Mr. NEU. My wife.

The CHAIRMAN. Has Mr. Laskey been your attorney all along?

Mr. NEU. No, sir; he was recommended to us by Mr. Sullivan, of Florida.

Senator HUNT. Has Mr. Laskey been Mr. Sullivan's attorney at any time?

Mr. LASKEY. I can answer that. I have never met or talked with him. I appeared before this committee once before, representing a William H. Lee.

Senator HUNT. The witness said that Mr. Sullivan phoned you.

Mr. LASKEY. The witness is mistaken. I did not understand him to say that.

The CHAIRMAN. The witness said that Mr. Sullivan or Mrs. Sullivan recommended to Mrs. Neu that they get in touch with you.

Mr. LASKEY. For the record, my only telephone conversations in connection with this matter have been with Mrs. Neu last night, Dr. Rodman this morning, and with a Mr. Roman today. Mr. Roman is an attorney in Florida.

Senator HUNT. Whom does Mr. Roman represent?

Mr. LASKEY. Mr. Roman represented—what was the name of that firm involved in the Lee transaction? Keyes Co. Mr. Roman is a partner of Judge Hunt, who I understand represents Mr. Sullivan. Judge Hunt is a personal acquaintance of mine and I had the pleasure of entertaining him at dinner while he was here at the American Bar Association convention. He has in several instances referred cases to me.

Senator HUNT. And he resigned as judge to take the work of representing Mr. Sullivan?

Mr. LASKEY. I don't know that. I first met Judge Hunt in Florida, where he was handling a personal matter for us on the recommendations of friends of ours in Florida, who are unconnected.

So far as I am concerned, my representation in this case is to the Neus. I represent no one else.

Senator HUNT. And in representing the Neus, you will not in this particular situation in any way attempt to protect or represent the Sullivans?

Mr. LASKEY. It will be my sole purpose to represent and protect the Neus, which I consider to be the only thing which I could properly do.

Senator HUNT. I know a recent appointment you have taken, or received, which would place you in a rather embarrassing situation, I would think, if in any way you were connected in representing Mr. Sullivan before this committee.

Mr. LASKEY. Yes, it would. But I don't consider that that appointment would preclude my appearance before this committee representing clients. If it does, I would certainly take the proper steps.

There have been only these two occasions before this committee. I would very much like your frank statements in that regard. If you feel there is anything inconsistent, I certainly cannot stop the private practice of law.

The CHAIRMAN. What was the other case?

Mr. LASKEY. It was also connected with the Sullivan case. It was William H. or Walter H. Lee, involving transactions in Florida.

He was a witness before the committee, as far as I was concerned—and he paid me. He also, incidentally, was referred to me by Judge Hunt.

The CHAIRMAN. Is there anything else, Senator Hunt?

Senator HUNT. No, Senator.

The CHAIRMAN. There are two questions I wanted to ask. One was the understanding that this money that Mrs. Sullivan got from the Rices would be an understanding between you and Mrs. Neu and Mrs. Sullivan, that the money from the Rices would be turned over to Mr. and Mrs. Ford.

Mr. NEU. No; that money belongs to Mr. and Mrs. Sullivan.

The CHAIRMAN. Why was it turned over to Mr. and Mrs. Ford? Was it understood?

Mr. NEU. Yes; that was the request of Mrs. Sullivan.

The CHAIRMAN. Was that an agreement between Mrs. Neu and Mrs. Sullivan, that is, that if the house was sold the money would be turned over to Mrs. Ford?

Mr. NEU. In her keeping, for Mrs.—

The CHAIRMAN. Was it supposed to be for the use of Mr. and Mrs. Ford?

Mr. NEU. No.

The CHAIRMAN. Or just for safekeeping?

Mr. NEU. That is right. They are not supposed to touch it unless Mrs. Sullivan says so. That is my understanding.

The CHAIRMAN. Why cannot Mrs. Sullivan keep her own money? I cannot understand why she has to turn it over to her father and mother to keep it. Do you know?

Mr. NEU. I would not be able to answer that; no, sir.

The CHAIRMAN. Give the witness this transcript about his bank accounts, Mr. Rice, please, and ask him about these deposits and withdrawals, and what they are for.

Mr. RICE. I am showing you a partial transcript—

The CHAIRMAN. Which the cashier of the bank has testified to.

Mr. RICE (continuing). Of your account at the First National Bank in Aberdeen.

I invite your attention to deposits of \$1,000 on July 8, 1949, and \$1,000 on July 11, 1949, both of which are indicated by the deposit slips to be cash deposits. Do you know the source of those funds?

Mr. NEU. Offhand I would not know, unless it was money that Mrs. Neu gave me to deposit, as coming from Mrs. Sullivan.

Mr. RICE. Unless it was money that came from Mrs. Sullivan?

Mr. NEU. Yes.

Mr. RICE. To Mrs. Neu and to you?

Mr. NEU. And I deposited it to pay some of the bills.

Mr. RICE. Now, back in 1945, on October 29, there was a deposit of \$3,000. I think if I recall correctly, that consisted of a check from Cronin, presumably on the sale of a piece of property.

Mr. NEU. Wait a minute. Oh, yes. I know about that. That was paying off on a mortgage. That is what it was.

Mr. RICE. On a mortgage that you owned?

Mr. NEU. Yes; that is right. I only owned it about maybe a month or two and the fellow paid off, see? That is what that was. I couldn't recall for a minute what that was.

Mr. RICE. Now, then, there was another major deposit on September 9, 1946, of \$3,066.75.

I am showing you a deposit ticket dated July 11, 1949. So far as you know, that is cash stemming from Ethel Sullivan to Gladys Neu to you?

Mr. NEU. I would say so; yes, sir.

Mr. RICE. I show you a deposit slip on July 8, the same applies to that; is that right?

Mr. NEU. Yes, sir; I imagine so.

Mr. RICE. There is the deposit ticket on the Cronin transaction, which was a mortgage owned by you?

Mr. NEU. Yes, sir.

Mr. RICE. Here is a deposit ticket of September 9, 1946, in the amount of \$3,066.75, indicating a deposit of \$3,000 emanating from the Baltimore Savings Bank. Can you tell me why that money was transferred from the savings bank to your account in the First National Bank at Aberdeen?

Mr. NEU. To pay some bills with, I imagine. Wouldn't there be an amount paid out at the end of that time?

Mr. RICE. Yes; you had a withdrawal within 10 days of \$3,000 even.

Mr. NEU. Yes; that is right.

Mr. RICE. Do you know what that was for? What bill?

Mr. NEU. No; that is so far back I don't remember. If I knew, I would tell you, honestly, but I don't remember; but it must have been deposited for this withdrawal. That is the reason we put it in there.

Mr. RICE. February 2, 1948, there is a deposit of \$1,720, \$120 in currency and \$1,600 from the Baltimore Savings Bank. Do you know why that money was transferred from the savings bank to the First National Bank in Aberdeen?

Mr. NEU. Just to pay current bills, I would say.

Mr. RICE. You had an even \$1,700 withdrawal on the 9th of February, 7 days after this deposit.

Mr. NEU. Yes.

Mr. RICE. What was your general practice in paying bills?

Mr. NEU. Well, just small bills I paid out of my weekly salary.

Mr. RICE. In cash?

Mr. NEU. No; by check. A good many of them by cash. For instance, the telephone bills and bills like that I paid cash.

Mr. RICE. Do you have your canceled checks running back as far as this?

Mr. NEU. No, sir. In 1949 I burned everything up to that time.

Mr. RICE. Your canceled checks go back how far?

Mr. NEU. Now, maybe about 1949, the latter part of 1949. I didn't see any use of saving them. They were just accumulating, and I had no idea that this was coming up, so I didn't save them.

Mr. RICE. I think that is all.

Senator HUNT. I do not think I have any more questions.

Mr. LASKEY. Senator Hunt, let me please get a response with respect to my recent appointment.

Senator HUNT. You will have to make that decision yourself.

**TESTIMONY OF MRS. GLADYS NEU, ABERDEEN, MD., ACCOMPANIED
BY JOHN L. LASKEY, ATTORNEY**

The CHAIRMAN. Mrs. Neu, will you stand, please?

Do you solemnly swear that the testimony you are about to give to this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mrs. NEU. I do.

The CHAIRMAN. All right, Mr. Rice.

Mr. RICE. Will you state for the record your name and address, Mrs. Neu?

Mrs. NEU. My address, my home address, is 225 Rogers Street.

Mr. RICE. And you are the wife of Richard Neu?

Mrs. NEU. That is right.

Mr. RICE. And sister of Ethel Sullivan?

Mrs. NEU. That is right.

Mr. RICE. And the daughter of Fredrick Ford and Ida Mae Ford?

Mrs. NEU. That is right.

Mr. RICE. In connection with your bank account, you have an account at the First National Bank in Aberdeen in your own name?

Mrs. NEU. Yes.

Mr. RICE. And, in addition, you have a joint account with your husband?

Mrs. NEU. That is right.

Mr. RICE. Back in 1948 there were several deposits made. I will show you ticket dated August 25, 1948, indicating a cash deposit of \$3,000. Can you tell the committee the source of that money?

Mrs. NEU. Well, that was supposed to come in from my sister. That was forthcoming from my sister.

The CHAIRMAN. How much was that?

Mr. RICE. \$3,000. From Ethel Sullivan?

Mrs. NEU. Yes.

Mr. RICE. What was the reason for her sending the money to you, or giving the money to you?

Mrs. NEU. Well, she was helping us to build the house in Aberdeen, which we now live in.

Mr. RICE. I beg your pardon?

Mrs. NEU. This money was to apply on a house in which we are now living in Aberdeen.

Mr. RICE. Was she loaning the money to you?

Mrs. NEU. Yes, in a way, because, in the interim, the house we were living in was sold. That money was turned back to her after the accumulation of the house being sold.

Mr. RICE. Was the money to be repaid to her?

Mrs. NEU. That is right; that is, part of it.

The CHAIRMAN. You say a part of it. What part was to be repaid and what part was not to be repaid?

Mrs. NEU. We sold the house for \$10,500 in Aberdeen. I mean, the house was deeded to her.

The CHAIRMAN. What part was not going to be repaid to her?

Mrs. NEU. Well, there was to be no part paid to her except what was forthcoming from the house.

The CHAIRMAN. Over the course of this time, how much money did you get from your sister, Mrs. Sullivan?

Mrs. NEU. Approximately—I guess it was around \$17,000 or \$18,000 or \$15,000. I forget which it was. That is, for the building of this house.

The CHAIRMAN. All the money that went to build the house you got from her?

Mrs. NEU. That is right.

The CHAIRMAN. If it cost \$17,000 or \$18,000, why, you got it from her?

Mrs. NEU. That is right.

The CHAIRMAN. When did you enter into any agreement like that?

Mrs. NEU. It was just shortly before the house was constructed, which was, I guess, in 1948, December of 1948.

The CHAIRMAN. You mean you told her that you and your husband, Mr. Neu, would like to build a house, but you did not have any money, and would she be willing to advance the money?

Mrs. NEU. They were going to advance the money for us to start to build a house. This was a loan until the other house was sold, which would be paid back to her.

The CHAIRMAN. That is the money which came from the other house?

Mrs. NEU. That is right.

The CHAIRMAN. How about the \$7,000 or \$8,000 in between?

Mrs. NEU. As I say, that was just used for building the house.

The CHAIRMAN. Do you owe it to her, or was it a gift?

Mrs. NEU. It was a gift.

The CHAIRMAN. She just gave it to you?

Mrs. NEU. Yes.

The CHAIRMAN. All right, Mr. Rice.

Mr. RICE. What was the source of Mrs. Sullivan's money?

Mrs. NEU. That I wouldn't know.

Mr. RICE. How was the money sent to you or given to you—in cash?

Mrs. NEU. In cash.

Mr. RICE. Was it mailed to you?

Mrs. NEU. No; it was not mailed. She at times came up and gave me this money.

Mr. RICE. I beg your pardon?

Mrs. NEU. She at various times came up to Aberdeen and gave me this money.

Mr. RICE. She delivered it to you personally?

Mrs. NEU. Yes.

Mr. RICE. It was in cash?

Mrs. NEU. In cash.

Mr. RICE. What was the most she ever gave you at one time?

Mrs. NEU. Oh, I don't recall.

Mr. RICE. Approximately.

Mrs. NEU. I guess maybe \$4,000 or \$5,000.

Mr. RICE. And where did you keep that money?

Mrs. NEU. As I said, I deposited it. That \$3,000 was deposited in the bank and I used it as I needed it for building.

Mr. RICE. Where did you keep it?

Mrs. NEU. Right in the house.

Mr. RICE. Right in the house?

Mrs. NEU. What I had to use for building; yes.

Mr. RICE. Did you give her any receipt for the money?

Mrs. NEU. No.

Mr. RICE. Do you have any record as to how much she gave you?

Mrs. NEU. No.

Mr. RICE. Does she have any record?

Mrs. NEU. No.

Mr. RICE. Was any money ever sent to you by check?

Mrs. NEU. No.

Mr. RICE. And it was all delivered in person in cash?

Mrs. NEU. That is right.

The CHAIRMAN. In 10-dollar bills, 100-dollar bills, or what sort?

Mrs. NEU. It was in various denominations. I would say 20- and 50-dollar bills.

The CHAIRMAN. Would she count it out when she gave it over to you?

Mrs. NEU. I assume she did. I suppose so. I imagine she did. I didn't watch her count it or anything.

The CHAIRMAN. Did you count it when she gave it to you, to see how much there was?

Mrs. NEU. She told me how much it was and handed me the money.

Mr. RICE. Did she say why she was delivering it in cash rather than by check?

Mrs. NEU. No.

Mr. RICE. Wasn't that dangerous?

Mrs. NEU. Well, I don't know. I didn't ask her whether it was dangerous or not.

Mr. RICE. In your opinion?

Mrs. NEU. Well, of course, I have never been used to handling money that way myself.

Mr. RICE. Did you tell her that?

Mrs. NEU. Naturally she knows that.

Mr. RICE. What did she say?

Mrs. NEU. She didn't say anything.

Mr. RICE. Did she explain how she came into possession of so much cash?

Mrs. NEU. No.

Mr. RICE. You didn't ask her?

Mrs. NEU. No; I didn't ask her.

Mr. RICE. I show you another ticket on the 28th of October 1948, in the amount of \$3,000, and ask you if that is the same situation?

Mrs. NEU. I assume it is; yes.

Mr. RICE. You do not have any other source of cash other than Mrs. Sullivan?

Mrs. NEU. No other source.

Mr. RICE. In addition to the money that was deposited in your bank account, did you have other money that you kept around the house or in a safe-deposit box?

Mrs. NEU. The only other money I say that I had other than in the bank was what I used for building, and that was paid out every week and every month to the builders—or every month. I think the bills were made monthly.

Mr. RICE. You paid all the bills on the building in cash?

Mrs. NEU. Approximately; yes.

Mr. RICE. I show you a ticket dated April 11, 1949, reflecting a deposit from the Provident Mutual Life Insurance Co. in the amount of \$2,000. What was the source of that money?

Mrs. NEU. That was the money that my husband borrowed to finish the building of this house. We had to have it.

Mr. RICE. He borrowed \$2,000?

Mrs. NEU. On his life-insurance policy.

Mr. RICE. He put up his policy?

Mrs. NEU. We had to have more money to finish the payments on this house, so he borrowed \$2,000 on his life-insurance policy.

Mr. RICE. He put up the policy as collateral?

Mrs. NEU. Yes.

Mr. RICE. Has he paid that off?

Mrs. NEU. He paid it back.

Mr. RICE. There is now no encumbrance on the policy?

Mrs. NEU. No.

Mr. RICE. Is the Rogers Street property owned free and clear by you now?

Mrs. NEU. Yes.

Mr. RICE. Why would you deposit a ticket, July 11, in the amount of \$515.50? Do you know the source of that money?

Mrs. NEU. \$515.50? No; I don't. Well, it is the same money, as far as the source is concerned.

Mr. RICE. You indicated before that all of your cash stemmed from Mrs. Sullivan?

Mrs. NEU. That is right.

Mr. RICE. Now, there came a time when the Bel Air property was deeded to Ethel Sullivan?

Mrs. NEU. That is right.

Mr. RICE. What was the reason for that?

Mrs. NEU. Well, the property was deeded to her for part payment of the money she had given to me to build the other house. That is what I told you before.

Mr. RICE. The property was sold to Major Rice and his wife?

Mrs. NEU. Yes.

Mr. RICE. And what were the arrangements there?

Mrs. NEU. Well, there was no arrangement other than that she in turn sold the property to them. The property was deeded to her and she in turn sold it to Major Rice.

Mr. RICE. When the property was sold there were two checks drawn in payment. I show you two checks dated the 1st of December 1949, both in the amount of \$5,000, drawn to Gladys Neu.

Mrs. NEU. That is right.

Mr. RICE. Why were they drawn to you rather than to the Sullivans?

Mrs. NEU. Well, because she asked us to have Major Rice pay me the money himself, rather than pay her.

Mr. RICE. Why?

Mrs. NEU. I don't know.

Mr. RICE. Why were there two checks, rather than one for \$10,000?

Mrs. NEU. I wouldn't know that either.

Mr. RICE. Didn't you instruct him to make two checks?

Mrs. NEU. Well, yes. I said she wanted to have it not in one lump sum. She suggested that the payment be in two \$5,000 dollar checks rather than in one \$10,000 check.

Mr. RICE. Why?

Mrs. NEU. I don't know.

Mr. RICE. How did she instruct you on that—by telephone?

Mrs. NEU. I think so.

The CHAIRMAN. You mean she told you to get two \$5,000 checks?

Mrs. NEU. Yes. She said to make out two separate checks.

The CHAIRMAN. And have both made out to you?

Mrs. NEU. Yes.

The CHAIRMAN. Why does it make any difference whether there was one for \$10,000 or two for \$5,000?

Mrs. NEU. I don't know what the answer would be there, sir.

The CHAIRMAN. One is dated a week later.

Mr. RICE. No, Senator, they are both dated the same date.

The CHAIRMAN. I mean one was cashed a week later than the other.

Mrs. NEU. I don't know.

The CHAIRMAN. You presented one and got \$5,000 and some time later you presented the other.

Mrs. NEU. I don't know that there was any particular reason for that or not. I don't recall they were cashed that way.

The CHAIRMAN. Look at the dates. Hold them up, Mr. Rice.

Mr. RICE. The perforated cancellation indicates "Paid 12/2/49" and this one is perforated "Paid 12/7/49" and there has been testimony

that they were presented at the First National Bank on those dates and cashed.

Mrs. NEU. Well, that is right then.

Mr. RICE. Did you do that?

Mrs. NEU. Did I cash the checks?

Mr. RICE. Yes.

Mrs. NEU. Yes, I cashed the checks.

Mr. RICE. Why did you do it on the 2d and then again on the 7th?

Mrs. NEU. It was no particular reason, as I say. I don't know why. There was no reason for cashing them at separate times.

Mr. RICE. What did you do with the money when you received it at the bank?

Mrs. NEU. I held it for her to come up to pay her.

Mr. RICE. The \$10,000?

Mrs. NEU. To give her the money back; yes.

Mr. RICE. Why did you hold it?

Mrs. NEU. At home?

Mr. RICE. At your home.

Mrs. NEU. I held it at the home for the time being, then later on I gave it to my mother.

Mr. RICE. Mrs. Ford?

Mrs. NEU. Yes.

Mr. RICE. How much later was it delivered to Mrs. Ford?

Mrs. NEU. I don't recall that either.

Mr. RICE. Was it a month?

Mrs. NEU. No; I don't think it was that long. Maybe it was a month or 2 weeks or 3. I just don't remember it now.

Mr. RICE. Why did you give it to Mrs. Ford?

Mrs. NEU. I have no reason for doing that either.

Mr. RICE. It was Mrs. Sullivan's money, was it not?

Mrs. NEU. Yes.

Mr. RICE. Did she tell you to give it to Mrs. Ford?

Mrs. NEU. She was to come up with something at the time and I gave it to her to give it to my sister.

Mr. RICE. Were you not there?

Mrs. NEU. Yes; I was there.

Mr. RICE. What did Mrs. Ford do with the money?

Mrs. NEU. She kept it to give to my sister.

Mr. RICE. Does she still have it?

Mrs. NEU. I think she does.

Mr. RICE. Where does she keep it?

Mrs. NEU. In the house.

Mr. RICE. Whereabouts in the house?

Mrs. NEU. I don't know.

Mr. RICE. During the time that you were negotiating this sale of the Bel Air Avenue property to the Rices, the record owners were the Sullivans, were they not?

Mrs. NEU. That is right.

Mr. RICE. And who agreed on the selling price?

Mrs. NEU. She did. She agreed to what she wanted for it. Of course, we naturally tried to get as much as we could for the house.

Mr. RICE. How did you get her agreement?

Mrs. NEU. I asked her.

Mr. RICE. By telephone?

Mrs. NEU. By telephone.

Mr. RICE. Did she come up during that period?

Mrs. NEU. No; I don't think so.

Mr. RICE. She didn't appear in Aberdeen during the time?

Mrs. NEU. No.

Mr. RICE. Then there came a time when she agreed that the price was all right and said to go ahead and close the sale?

Mrs. NEU. Yes.

Mr. RICE. And the deed was sent to Florida and signed?

Mrs. NEU. Yes.

Mr. RICE. Have you ever seen the deed?

Mrs. NEU. Yes; it was returned to me, I think.

Mr. RICE. You did not take it down to Florida?

Mrs. NEU. Oh, no.

Mr. RICE. I show you deed dated 1st of December 1949 and ask you if that is your signature?

Mrs. NEU. That is.

Mr. RICE. That is, as witness to the signature of Ethel and James Sullivan?

Mrs. NEU. Yes, that is my signature.

Mr. RICE. Did you see them sign it?

Mrs. NEU. No; I didn't see them sign it; no.

The CHAIRMAN. Senator HUNT, do you have any questions?

Senator HUNT. Mrs. Neu, do I understand you to say that you had not received any money in cash through the mail from Mrs. Sullivan?

Mrs. NEU. No.

Senator HUNT. You are real sure of that?

Mrs. NEU. I don't think so.

Senator HUNT. How much money have you received altogether from Mrs. Sullivan?

Mrs. NEU. Well, I don't know. As I say, it would amount to the cost of the construction of this property.

Senator HUNT. As the situation now stands, Mrs. Sullivan has advanced to you roughly seventeen or eighteen thousand dollars?

Mrs. NEU. Yes.

Senator HUNT. To her directly you have returned nothing, but you have returned \$10,000 to her mother?

Mrs. NEU. That is right.

Senator HUNT. And her mother is now keeping this \$10,000 in her house as far as you know?

Mrs. NEU. Yes.

Senator HUNT. Can you give us any reason for that most unusual situation of keeping \$10,000 in a house?

Mrs. NEU. No; I can't.

Senator HUNT. I do not have any other questions, Senator.

Mr. RICE. Do you have a new automobile?

Mrs. NEU. Yes, we do.

Mr. RICE. What is it?

Mrs. NEU. A Chevrolet.

Mr. RICE. Is that paid for?

Mrs. NEU. It is.

Mr. RICE. What was the source of the funds for that?

Mrs. NEU. My husband sold Government bonds. There was no Florida money involved in the car.

Mr. RICE. Has Florida money been involved in any other purchases of furniture or furnishings?

Mrs. NEU. No. The only money that was forthcoming from Florida was the construction of the house; I told you before.

The CHAIRMAN. How about paying back the mortgage of \$2,000.

Mrs. NEU. What mortgage?

The CHAIRMAN. I don't mean the mortgage, I mean the loan on your husband's insurance.

Mrs. NEU. That was paid back by the money, as I say, because at the time we had to have the money to pay off the bills, and we did not have it until other money was forthcoming. So he borrowed on his life-insurance policy to pay it.

The CHAIRMAN. Mrs. Neu, there is one other matter I wanted to get straight.

When you got this \$10,000 and got the cash there on the 2d and the 7th of December, why did you not put it in your bank account? You had a bank account?

Mrs. NEU. Well, I didn't want to put it in any bank account.

The CHAIRMAN. Why?

Mrs. NEU. Because I didn't think; I just didn't want to do it.

The CHAIRMAN. Wouldn't you think it would be safer in your bank account than in your home?

Mrs. NEU. It wasn't my money to start with, and I was going to return it where it belonged; because the deal was made that she was to get—

The CHAIRMAN. Why did you not put it in your bank account and get a certified check? That would certainly save the danger of a theft or fire?

Mrs. NEU. I don't know why I didn't.

The CHAIRMAN. Did you ever do that before, that is, have big sums of money on hand?

Mrs. NEU. Never.

The CHAIRMAN. You had a bank account?

Mrs. NEU. Yes.

The CHAIRMAN. You do not know of any reason why you did not put it in your bank account?

Mrs. NEU. No. Because, as I say, that money was still hers. So I got the cash, and that was to be returned to her.

The CHAIRMAN. Why did you not get the check made to her?

Mrs. NEU. Because she requested the checks made to her?

The CHAIRMAN. Then, when you got the money, why did you not deposit it and send her a check?

Mrs. NEU. That I don't know.

The CHAIRMAN. There must be some explanation of this. We are just trying to get at the facts.

It is a strange thing, I think you will admit, for big sums of money to be floating around like this when people have bank accounts.

Mrs. NEU. Yes, I do.

The CHAIRMAN. You take the risk of having money around in your house when you had a perfectly good bank account where you could put it. There must be some explanation. What is your idea of that?

Mrs. NEU. As I say, the money was not mine, and I certainly did not want it there, and I didn't want to deposit it in any checking account.

The CHAIRMAN. Of course, you could have opened a special account to her.

Mrs. NEU. I suppose I could. But I have never handled finances like that before, so I just didn't know.

The CHAIRMAN. You got the money; \$5,000 first, and where did you take that to?

Mrs. NEU. That was applied on the house.

The CHAIRMAN. I know. I am talking about after the house was sold. That is, when you sold the Bel Air house.

Mrs. NEU. Those two? We kept them, as I told you, and then gave them to my mother.

The CHAIRMAN. I know; but you got the \$5,000 at the bank, and I suppose you put it in your purse?

Mrs. NEU. No; I didn't put it in my purse. I took it home for the time being.

The CHAIRMAN. You put it in your purse to take it home, did you not?

Mrs. NEU. That is right.

The CHAIRMAN. Then you put it somewhere at home?

Mrs. NEU. I left it in the house.

The CHAIRMAN. Did you put it in a tin box?

Mrs. NEU. No. I just left it in a dresser drawer and gave it to her that day or the day thereafter. I do not remember now.

The CHAIRMAN. You gave her the first \$5,000?

Mrs. NEU. And then I gave her the \$10,000.

The CHAIRMAN. Had your sister already instructed you when you got the cash to turn it over to your mother?

Mrs. NEU. That is right.

The CHAIRMAN. You don't know why you got it on two different occasions?

Mrs. NEU. No; I don't.

The CHAIRMAN. Why did you not have your husband put it in the safety-deposit box; he had one?

Mrs. NEU. I don't know that.

The CHAIRMAN. It never went into the safety-deposit box?

Mrs. NEU. These checks?

The CHAIRMAN. No; this \$10,000.

Mrs. NEU. I don't think so.

The CHAIRMAN. You would know whether it did or not. You had it.

Mrs. NEU. I don't think he put it in the safety-deposit box.

The CHAIRMAN. Who kept the money—you or him?

Mrs. NEU. I did all the transactions on the house.

The CHAIRMAN. I mean, after you got the \$10,000, did you keep the money?

Mrs. NEU. Yes; I kept the money.

The CHAIRMAN. He never had his hands on it?

Mrs. NEU. No; he never entered into any of the transactions at all.

The CHAIRMAN. And you think a day or two after you got it you took it over to your mother?

Mrs. NEU. As I say, I don't know how many days it was, or how long it was, but anyhow it was delivered to her.

The CHAIRMAN. Within a few days?

Mrs. NEU. Yes.

The CHAIRMAN. And you had it in your possession all the days between the time you got it out of the bank and until you took it over to your mother?

Mrs. NEU. That is right.

The CHAIRMAN. That has been almost a year ago, has it not?

Mrs. NEU. I guess it has.

The CHAIRMAN. December 1949. Do you know why it was left again? Wasn't there any correspondence or any word or reason given to you why it should be left with your mother?

Mrs. NEU. That is where she wanted it.

The CHAIRMAN. Was it a gift to your mother?

Mrs. NEU. This money?

The CHAIRMAN. Yes.

Mrs. NEU. I don't know whether she has given it to her or not.

The CHAIRMAN. You don't know whether it is your sister Ethel's money or whether it is your mother's money?

Mrs. NEU. I don't know. It is not in my possession, so I don't know. I don't know whether she intended for her to have it.

The CHAIRMAN. Your mother has a bank account?

Mrs. NEU. I think she has.

The CHAIRMAN. Do you know why she doesn't put it in the bank?

Mrs. NEU. No.

The CHAIRMAN. She just keeps it around the house?

Mrs. NEU. Yes.

The CHAIRMAN. I think that is all I have.

Senator HUNT. Mrs. Neu, do you know how much money your sister has given to your mother?

Mrs. NEU. No; I don't.

Senator HUNT. Do you have any idea at all?

Mrs. NEU. Well, the only thing that I know anything about is a mortgage.

Senator HUNT. That was what? In the amount of \$6,800?

Mrs. NEU. No; I don't think so. I think it was \$7,500.

Senator HUNT. \$7,500, and then the \$10,000 that your mother still has in cash. Then there was some additional, over and above the \$10,000 from your sister to you, which you have not returned to your sister because she has not asked you for it.

The CHAIRMAN. That is a gift, as I understand it.

Mrs. NEU. Yes. I don't have any money left myself at all.

Senator HUNT. You paid it out on the house?

Mrs. NEU. Yes.

Senator HUNT. What we are trying to do is to arrive at the figure of how much money the sheriff of Miami has advanced in these transactions.

Mrs. NEU. I told you that it went to the construction of this house. That is, as far as I am concerned. Of course, the other money, the mortgage money, of course, I had nothing to do with at all. That did not enter at all.

Senator HUNT. You talked to your sister last night on the telephone, did you not?

Mrs. NEU. Yes; I did.

Senator HUNT. Would you tell us what the conversation was?

Mrs. NEU. I told her that we had been subpoenaed yesterday, much to my surprise. I asked her what to do. She said we would have to go down. So that was about all there was to it.

Senator HUNT. Did you talk over these transactions, and discuss what your testimony would be today?

Mrs. NEU. No; because I did not know. This is the first time I was ever subpoenaed, so I did not know what the questions might be, or anything pertaining to them.

Senator HUNT. That was the extent of your conversation; that is, you just told her you were coming down here?

Mrs. NEU. I told her we were subpoenaed and summoned to Washington today.

Senator HUNT. How long were you on the phone with your sister?

Mrs. NEU. I don't know.

Senator HUNT. Was it 2 minutes? or 5? or 10?

Mrs. NEU. Well, I wouldn't know that either. It was just a conversation. I was so nervous, I didn't know what I was doing. I don't know whether it was 5, 3, or 4 minutes. I don't know. I did talk to her.

Senator HUNT. There is absolutely nothing wrong with the transactions, as far as you are concerned, so why should you be nervous?

Mrs. NEU. I mean, this sort of thing upsets me. As I say, I have never been subpoenaed before, or have never been before a court before, and it does upset me.

Senator HUNT. I do not think I have any more questions.

The CHAIRMAN. Well, now, let me ask you this, Mrs. Neu. Your sister never had any fortune or any big estate of her own, did she?

Mrs. NEU. Not that I ever knew of.

The CHAIRMAN. Just whatever salary or whatever money her husband makes?

Mrs. NEU. That is right.

The CHAIRMAN. When she so magnanimously agreed to advance \$17,000 or \$18,000, do you have any idea as to where all that money was coming from, or how she could afford it?

Mrs. NEU. No; I did not. I knew that Jim was, of course, the sheriff of Miami, and I knew he had a fairly decent salary. Other than his real-estate transactions, I don't know anything about any other money.

The CHAIRMAN. How many of you children are there?

Mrs. NEU. Four.

The CHAIRMAN. Two sisters?

Mrs. NEU. That is right.

The CHAIRMAN. Where are the brothers?

Mrs. NEU. I have a brother in New York and one in Philadelphia.

The CHAIRMAN. What do they do?

Mrs. NEU. I think one works at Mitchell Field in New York, and the other one is in the contracting business in Philadelphia.

The CHAIRMAN. Has she done things like this for other members of the family?

Mrs. NEU. Not that I know of.

The CHAIRMAN. You don't consider that you owe her this \$7,000 or \$8,000 difference? Do you consider that a gift?

Mrs. NEU. As far as I am concerned, it was a gift.

The CHAIRMAN. There was not any agreement about repaying, or anything of that sort?

Mrs. NEU. No; other than this house.

The CHAIRMAN. Just whatever she got out of the house would be repayment?

Mrs. NEU. Yes.

The CHAIRMAN. Whether it would be \$10,000 or \$9,000 or \$11,000, or whatever it might be?

Mrs. NEU. That is right.

The CHAIRMAN. What was the transaction about her paying off this \$7,500 mortgage? How did that come about? Do you know?

Mrs. NEU. I wouldn't know anything about that arrangement at all. All I know is that she picked up the mortgage on that property, and that is all I know.

The CHAIRMAN. Mr. Laskey, do you have any matters there that you wanted to bring out?

Mr. LASKEY. No; I merely wanted to file this telegram which I received from Dr. Rodman. As I say, I have no personal knowledge of those facts, or Mr. Ford's condition.

The CHAIRMAN. That will be filed and made a part of the record. (The telegram referred to is as follows:)

ABERDEEN, Md., *September 26, 1943.*

Mr. JOHN LASKEY,

Albee Building, 1426 G Street NW., Washington, D. C.:

To protect physical status of my patient, Fred Ford, Perryman, Md., must examine to determine his physical fitness to appear before investigating committee. Kindly defer action until time permits examination.

PETER P. RODMAN, M. D.

The CHAIRMAN. Is Mrs. Sullivan older or younger than you, Mrs. Neu?

Mrs. NEU. She is younger.

The CHAIRMAN. How old is she?

Mrs. NEU. She is 47, I think.

Senator HUNT. I have no other questions of Mrs. Neu.

The CHAIRMAN. Mrs. Neu, we will excuse you. But first, let me ask you:

Do you have any correspondence with you from your sister?

Mrs. NEU. No; I do not, whatsoever.

The CHAIRMAN. It was all on the telephone?

Mrs. NEU. That is right.

The CHAIRMAN. Do you call her or does she call you?

Mrs. NEU. She usually calls me.

Mr. RICE. Don't you call her collect occasionally?

Mrs. NEU. Collect. I can't afford long-distance calls.

Mr. RICE. Did you call her collect last night?

Mrs. NEU. Collect; yes.

Mr. RICE. Did you talk with Jimmie Sullivan about these transactions at all?

Mrs. NEU. Recently, you mean? No.

Mr. RICE. Any time.

Mrs. NEU. No.

Mr. RICE. Has he been up to Aberdeen?

Mrs. NEU. Not lately; no.

The CHAIRMAN. Did he bring any of this money?

Mrs. NEU. Never.

The CHAIRMAN. She brought it all?

Mrs. NEU. Yes.

The CHAIRMAN. He wouldn't drive up with her on these occasions? How did she come? Did she drive?

Mrs. NEU. Sometimes she came by train and sometimes she drove.

The CHAIRMAN. Without money like this, you could not have built this house, could you?

Mrs. NEU. No; because we don't have money like that. My husband works on a salary.

The CHAIRMAN. You have been always like a Senator, sort of poor people?

Mrs. NEU. That is right.

The CHAIRMAN. We understand that situation, Mrs. Neu.

Mrs. NEU. But, as I say, as far as I am concerned, the whole thing was a gift.

The CHAIRMAN. We have no right to question that, and we do not question it, Mrs. Neu.

But I must say to you that with you and your husband having bank accounts and your mother having a bank account, this is a very strange way to handle cash transactions.

Mrs. NEU. As I say, it was all very new to me, because, as I told you before, I have never handled any amounts of money before. Of course, I was advised to do it that way, so that is the way I did it.

The CHAIRMAN. All right. Thank you, Mrs. Neu.

(Witness excused.)

(In view of the reported physical inability of Mr. Tredick Ford to appear before the committee to testify personally, the following signed statement was received and made a part of the record:)

We, Tredick Ford and wife, May Ford, of Perryman, Md., make the following voluntary statement to Downey Rice who has advised us that he is assistant counsel of the Senate Special Committee To Investigate Organized Crime in Interstate Commerce:

We are residents of Perryman, Md., and the parents of Ethel Sullivan, the wife of James Alexander Sullivan, now residing in Miami, Fla. We are also the parents of Gladys Neu.

For many years we have owned the farm where we now live at Perryman, and until 1945 there was a mortgage of approximately \$6,800 on the farm held by Mrs. Mary Mitchell, of Aberdeen. In 1945 our daughter Ethel visited us at the farm and wanted to do something for us. She arranged with us to have certain improvements made on the farm. Ethel gave us about \$1,000 cash, which was used to pay for these improvements.

Shortly after this Ethel gave us sufficient cash to pay off the \$6,800 mortgage, which was done in July of 1945.

In October of 1945, we gave a mortgage on the farm to Ethel and her husband, Jimmie Sullivan, in the amount of \$7,500. It has not been necessary for us to pay any interest or curtail on this mortgage since.

When the Sullivans sold the house on Bel Air Avenue in Aberdeen to Maj. and Mrs. Thomas A. Rice in the fall of 1949, \$10,000 of the proceeds from the sale of the house was delivered to us in cash by Gladys Neu for safekeeping at the farm. It was our understanding that Ethel had directed that the money be kept this way and that she would call for it when necessary. Although Ethel was in Perryman during the summer of 1950, and we reminded her of the fact that we were holding the money for her, she asked us to continue to keep it for her. As yet, she has not called for the money and we still retain it at the farm. We have no information regarding the source of the money coming from Ethel and Jimmie Sullivan in Florida except that we understood that Jimmie had made some money in real estate there.

The foregoing statement consisting of one and one-half pages has been read by us, and we willingly sign it as it is true.

Witnessed:

OCTOBER 18, 1950.

TREDICK FORD.

MAY H. FORD.

(Whereupon, at 5:25 p. m., the committee adjourned, subject to the call of the Chair.)

APPENDIX

EXHIBIT No. 49

HENRY PELLINO, C. P. A.,
New York, N. Y., Thursday.

DEAR ABE: Just spoke to Frank over the phone, and he asked me to send you this air-mail letter to tell you to have that declaration of estimated 1943 tax made up and send it on to me so that I may get the money and pay for it. I think your collector is in St. Petersburg. Is that right?

Best of everything to you, Abe. Guess I'll never get around to going to Florida.
Sincerely,

ANDY.

HENRY PELLINO, C. P. A.,
New York, N. Y., September 11.

DEAR ABE: Mailed my check to the collector in Jacksonville, Fla., today for \$7,105 as per your declaration. Hope I sent it to the right place. I remember it as Jacksonville. You made the mistake of taking full credit for your 1942 tax instead of half, which is what I paid on in thus far. But I let it go the way you had it. It's not important, as it is only an estimate, and I think you will come very close.

Getting back to your relationship with Frank there, Frank wants to take up his profit as he received it, which is O. K. in my opinion if you take up the entire half and take as a deduction whatever money you give Frank out of profits during the year. As I understand it, Frank is not on record as a partner of the hotel, which makes it O. K. He has a 50-percent interest in you which is not known to the partnership and doesn't even have to be known by your other partner. However, if Frank is on record as a partner on your books, then it is wrong for him to handle it his way, and he should take up 25 percent of the partnership profit even though he hasn't received it in cash. Anyway, I wish you would write me a confidential letter and let me know if Frank is on record at the hotel. That's all for now. Oh, I haven't copies of your returns for 1938-39-40-41, and Frank wants to have them. I am enclosing forms for all these years except 1938, which I don't have. Explain to your accountant what you are doing with Frank and get his reaction. Write me if things are confusing to you. Bestest.

Sincerely,

ANDY.

HENRY PELLINO, C. P. A.,
New York, N. Y., January 19, 1944.

DEAR ABE: For your information, you paid out during 1943 in taxes the following: March 10, \$557.62; June 5, \$557.62; total, \$1,115.24.

The above amount paid should be shown on Form 1125, which Uncle Sam will send you with your blanks. Then, on September 11, you paid on a declaration the amount of \$7,105. All of the above figures you will take credit for when preparing your 1943 return. As far as I know, you paid nothing for the last quarter of 1943, as you were supposed to have filed an amended declaration to show you owed nothing. This was because of the change in the way you take up the profit in the Wofford. Unless you know the above figures, do not throw this letter away. Kind regards.

Sincerely,

ANDY.

EXHIBIT No. 100

THIS WILL CERTIFY THAT

Abe Allenberg.WHOSE SIGNATURE IS AFFIXED BELOW IS AN HONORARY DEPUTY
SHERIFF OF DADE COUNTY, FLORIDA.Abe Allenberg

SIGNATURE OF DEPUTY

Jimmy Sullivan

SHERIFF OF DADE COUNTY, FLORIDA

Certificate of Appointment

STATE OF FLORIDA, COUNTY OF DADE

Known All Men by These Presents

That I, JIMMY SULLIVAN, Sheriff of Dade County, Fla.
do hereby certify thatABE ALLENBERG.IS HEREWITH APPOINTED AN HONORARY DEPUTY SHERIFF OF DADE
COUNTY, FLORIDAIT BEING UNDERSTOOD THAT THIS COMMISSION EXPIRES AT THE
EXPIRATION OF MY TERM UNLESS PREVIOUSLY REVOKED.Dated this 5th day of June 1917NO. 460

SHERIFF DADE COUNTY, FLORIDA

OVER:

EXHIBIT No. 101

Dr. H. C. L.

Dr. H. C. L.

EXHIBIT No. 102

JUNE 15, 1944.

MIAMI BEACH KENNEL CLUB,
Miami Beach, Fla.
(Attention Mr. Hugo Bennett.)

GENTLEMEN: The following figure, \$44.92, represents hotel bill and charges of Mr. W. H. Johnston and party during their stay at the Wofford Hotel June 12, 13, 14—sheriffs' convention.

Thank you.

Yours very truly,

ARE ALLENBERG, *Managing Director.*

AA/bf

EXHIBIT No. 103

KULLMAN DINING CAR CO., INC.,
Harrison, N. J., September 27, 1948.

Mr. A. ALLENBERG,
Blackstone Hotel, Miami Beach, Fla.

DEAR ABE: I am over at the Kullman Dining Car factory, at which you know my friend Sam just completed building me a beautiful diner. I would like to have you do me a favor that would be helpful to me and my friend Sam. He has just sold a new diner that is going to 5560 Northwest Seventh Avenue, Miami, Fla., and the same boys, whose names are E. J. Averman, Jr., and C. A. Youngs, Jr., whose address is 4321 Northwest Thirty-sixth Street (Air Chef Diner), Miami Springs, Fla.

They are having difficulties with the electrical inspectors due chiefly to wiring. We encounter this from time to time, and a few dollars will fix everything up. However, the chief electrical inspector's name in Miami is Knox, and his assistant's name is Cousen. If you will contact these two men personally, or have your emissary in Miami take care of them and see that this thing is accepted, it would help things a great deal.

The fire underwriters of the State of New York accept Sam Kullman's work; and, as I said, a little fixing will take care of the whole matter. Please let me know at once, as I want Sam to do favors for me.

Kindest personal regard.

JIM PONZIO.

P. S.—I understand that Senator Pepper is the man to give the O. K.

EXHIBIT No. 104

DEMOCRATIC NATIONAL COMMITTEE,
Washington, D. C., May 6, 1947.

Mr. ABE ALLENBERG,
Boulevard Hotel, Miami Beach, Fla.

DEAR MR. ALLENBERG: We are very grateful to you for participating in the Miami Jefferson jubilee dinner. Your assistance proved of material help to the Democratic Party in preparing for its 1948 Presidential campaign.

Chairman Hannegan joins me in expressing our sincere appreciation for your cooperation, and I am enclosing an official treasurer's receipt for your contribution in the amount of \$2,500.

Sincerely,

GEORGE KILLION.

No. 856

DEMOCRATIC NATIONAL COMMITTEE,
Washington, D. C., March 31, 1947.

Received \$2,500 from Abe Allenberg, Boulevard Hotel, Miami Beach, Fla., contribution to Democratic National Committee.

GEORGE L. KILLION, Treasurer.

EXHIBIT No. 105

LAW OFFICES, RAPHAEL W. ALPHER,
Lynbrook, N. Y., August 4, 1948.

Mr. ABE ALLENBERG,
Care of The Blackstone Hotel,
Miami, Beach, Fla.

DEAR ABE: Thank you for your letter. However, in the meantime I have settled this whole business on a basis of a cash payment to get rid of this crowd. Sorry I didn't wait to talk to you about this before I took any action.

In the meantime I understand that this bunch through a Mr. Perlman or Perlberg have contact with the Governor-elect. If you have it within your power to advise what kind of people they are, I suggest you do so.

Yours very truly,

RALPH.

EXHIBIT No. 106

GRAND JURY REPORT, SPRING TERM, A. D. 1949, FOR DADE COUNTY, FLA.

(Filed November 7, 1949)

IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT OF FLORIDA IN AND FOR
THE COUNTY OF DADE, SPRING TERM, A. D. 1949

Walter E. Morris, foreman; Bernard S. Karmiol, vice foreman; T. Thurston Ritter, clerk; Peter L. Anton, Charles W. Dabney, Roger E. Eikenberry, Leo J. Goldman, Jack C. Harmon, Harold M. Hirsh, John V. O'Brien, Russell S. Oakleaf, Frank J. Rauffer, Samuel Silverman, N. Sirgany, George W. Smith, Jack Sveralm, C. R. Vaughn, Jack H. Venable.

Glenn C. Mincer, State attorney; John W. Prunty, assistant State attorney;
Harvie S. DuVal, assistant State attorney

FINAL REPORT OF THE GRAND JURY

To the Honorable Judges of the Circuit Court of the Eleventh Judicial Circuit of Florida:

We, the grand jury, were duly impaneled on the 10th day of May, spring term, 1949, by the Honorable Stanley Milledge, one of the judges of the Circuit Court of the Eleventh Judicial Circuit of Florida.

CAPITAL CASES

We have considered six capital cases and have disposed of these cases by the following action:

State of Florida v. Jeffie L. McClure—Indicted for murder in the first degree.

State of Florida v. Mack Arthur Bailey—Indicted for murder in the first degree.

State of Florida v. Arstall George Johnson—Indicted for murder in the first degree.

State of Florida v. Albert Jones—Indicted for murder in the second degree.

State of Florida v. Milton E. Renegar—Indicted for murder in the second degree.

State of Florida v. Nick Bonura—Indicted for fondling and lewdly and lasciviously assaulting a child.

On the 28th day of July 1949 one of the defendants indicted by this grand jury for murder in the first degree, Jeffie L. McClure, filed in the circuit court her motion to quash the said indictment on the ground that the said indictment returned by this grand jury on the 23d day of June 1949 was null and void, for the reason that this grand jury, consisting of 18 jurors as provided for by FSA Chapter 905, had been discharged by operation of law, chapter 25554, Laws of Florida, 1949, which became effective the 13th day of June 1949; said chapter provided that in all counties having a population of 315,000 or more according to the last State or Federal census, a grand jury should consist of 23 jurors and further provided that all laws in conflict therewith be repealed. There was no saving clause in chapter 25554, Laws of 1949, expressly providing that this current grand jury should remain in session.

That thereafter the said motion to quash came on to be heard before the Honorable George E. Holt, one of the circuit judges, who entered his opinion and order on the 24th day of August 1949 denying the relator's motion to quash the said indictment and declaring chapter 25554, Laws of Florida, 1949, as being unconstitutional.

Whereupon, the defendant, Jeffie L. McClure, filed her petition for writ of habeas corpus in the supreme court, which said writ was issued on the 13th day of September 1949. And that at the time of the filing of this report the said cause is still pending and undecided in the Supreme Court of the State of Florida.

Based upon these facts and circumstances and uncertainties, the State attorney, Glenn C. Mincer, informed this grand jury that until the supreme court had written an opinion deciding the legality of this grand jury he would not present any additional capital cases.

PRELIMINARY

During our preliminary investigation we studied reports of previous grand juries, which indicate that certain undesirable and unhealthy conditions have existed in this community over a considerable period of time. As citizens we were

aware of many of these conditions and their existence has been corroborated by testimony of witnesses who appeared before us and satisfied us that they were qualified and competent to testify and that they knew whereof they spoke. We could not see any purpose in repeating the work of our predecessor juries to discover officially and at great length that crime and corruption do exist here. This point has been well documented in the past but apparently discouragingly little, if any, real improvement seems to have resulted from such exposes. It was thus apparent that our problem was not how to establish that certain unsalubrious conditions exist, but rather what could be done about them. In casting about for the answer to this question, we quickly learned that while a grand jury is considered to be all powerful, there are many factors involved which tend to handicap such a jury and to prevent it from actually being a cogent agency for law enforcement. Some of these factors are:

Lack of a reporter for the taking of testimony, making it necessary that the jurors depend solely upon memory in drawing up their reports.

Lack of funds for the employment of investigators.

Limitations on the time the jurors can devote to the affairs of the jury over an extended period, due to the necessity of earning their livelihood.

These coupled with the fact that the jurors themselves are laymen, make it difficult for a grand jury to go about accomplishing the desired end.

This grand jury viewed with approbation the action of the 1949 Florida State Legislature in its passage of certain laws which were intended to strengthen the present grand jury system. Unfortunately, however, because of certain technicalities involved in these laws, our position was not strengthened as a consequence, but instead our investigations were most severely handicapped. The paramount issue affecting us is now pending a hearing before the State supreme court but apparently because of the time element a decision will not be rendered until after our term has expired.

CONGREGATION OF CRIMINAL ELEMENT IN OUR COMMUNITY

There is present in our community a large number of individuals of unsavory reputation. These persons are criminals of national stature. Their records show that their activities have occurred in many of the cities throughout our country. What has brought them here to concentrate among us we do not know. Perhaps the mild climate which has attracted so many Americans to settle here has also attracted them. Perhaps our community has attracted them as a refuge or haven, where they have not committed any criminal acts, and so they feel that they are immune from interference by our local law-enforcement agencies. It would be un-American for us to want to harass a man merely because he has a criminal record. If he is wanted by the police somewhere he should be made to stand trial and pay the penalty for his crime. If he is not wanted, or has already been discharged from an institution, he should be as free to move around as any other citizen. However, the fact remains that our community is fast becoming the national capital wherein the so-called leaders of the criminal element of numerous communities through the land are congregating.

These men are settling among us under the cloak of respectability. Their passion here is complete anonymity. They purchase and operate legitimate business enterprises as evidence of their respectability among us, and they become our neighbors. We have to thank the ceaseless efforts of the Miami Crime Commission for incessantly stabbing through the gloom of obscurity in which these individuals seek refuge, and illuminating them with the searchlight of identification as to who they are and what the danger is to our community.

The history of these individuals shows that they live by violence, and in that lies their danger to our community. At present they may not appear to be engaged in illegal activities here, and instead they appear to be inactive, as would a retired businessman, or they may appear to be engaged in a legitimate business activity. Yet, the record shows that they have continued to maintain their ties with the gangs in the communities from which they originate. Also, by the nature of their predilection to violence, they are a menace to the businessman of the community. There is no doubt but that they would resort to the gangster strong-arm methods to overcome the ordinary law-abiding citizen who would have the misfortune to best them in competition for business.

They attract hangers-on and henchmen, who do not have their affluence, but who do desire to have a supply of money for ready and easy spending. These men resort to crimes of violence, and when they are in our midst, our crime

rate soars to such an extent that our local law-enforcement agencies cannot cope with it.

We believe that the activities of these so-called important gangsters and racketeers are beyond the scope of our local law-enforcement agencies. We feel that the Federal Government would find it a very profitable field to investigate these people regarding the sources of their income and the origins of their wealth by which they can live in such ostentation among us and purchase valuable and expensive properties and businesses. We feel that proper investigations of these individuals would reveal violations of Federal laws just as investigations in the past have done with other criminals who rose to wealth and notoriety. We recommend that a coordinated investigative body from the various Justice and Treasury Department units be established here to look into these persons' activities.

GAMBLING IN DADE COUNTY

Law enforcement in Dade County has been and still is confronted with the most powerfully organized, most insidious form of gambling, namely, bookmaking. We could elaborate on this subject in connection with our investigation but we feel it would only be a repetition of what is contained on the subject in the admirable report of the grand jury for the winter term of 1947.

After questioning witnesses we found that during the summer of 1949 laxity in enforcing gambling laws had not changed much relative to previous periods. At the time we made an investigation into gambling activities in Dade County it was revealed that bookie operations in the city of Miami and the city of Miami Beach were running on a sneak basis, while the "county" was wide open to anyone desiring to visit the well-appointed, air-conditioned places set up for card games, dice games, roulette, and bookmaking. The "county" is a term applied to the unincorporated areas where only the sheriff and the constables have law-enforcement powers. Bookmaking in the summertime is done on a sneak basis simply because the "heat" is usually on and the business is not as lucrative as it is during the winter months.

In Miami bolita and the numbers racket were flourishing. There appeared to be little effort to curb these gambling operations, although they were being carried on under the eyes of the police.

Conditions apparently have not changed since the writing of the 1944 grand jury report. There is too much laxity and indifference toward law enforcement with respect to gambling and vice resulting from politics and graft. The only means by which the people of Dade County can be protected against the influence of organized gambling and racketeers is by impartial and efficient enforcement of the laws. If the people of Dade County desire that organized crime be destroyed it can be destroyed. The facilities required are available in the choice of men they elect as sheriff and city commissioners. All of this, of course, has been said before.

We do not presume to argue the question as to whether or not gambling is morally good or bad. The fact that a particular law has been enacted and is on our statute books should require its complete and impartial enforcement by the agency or officer charged with its enforcement. It should not be within the discretion of public officials to adopt a "liberal" or a "closed" policy.

Although we recommend that a grand jury be kept in continuous session, it seems deplorable that the people should have to maintain constant vigilance over law-enforcement officers in order that the gambling laws, among other laws, be enforced.

HANDICAPS TO EFFICIENT GRAND JURY PROCEDURE

In the course of our activities as a grand jury we have been made keenly aware of the division of responsibility for the enforcement of the criminal laws in our community. There are the sheriff's department and the different police departments. There are the county solicitor's office and the State attorney's office. Such division of responsibilities leads readily to excuses for avoidance of responsibilities; to a "hands-off" policy of matters which can be claimed to be within the jurisdiction of another official; to a cynical attitude that "it is not within the province of my office or department to investigate so and such"; to a rendering impotent our grand jury system.

There are some holders of public office who have an idea regarding the grand jury which is not consistent with the traditional role played by the grand jury. These officials believe that the grand jury should confine itself to inquiries of crimes of a capital nature only, for they reason that persons are tried on indict-

ments only in capital cases. Although this may relieve the grand jury of the burden of hearing the numerous other cases involving felonies of lesser degree than capital, it also can tend to nullify the results of the grand jury's investigations regarding matters which involve the commission of such other crimes. Any indictment handed down by the grand jury on such lesser matters will not be prosecuted by the prosecuting attorney who might have aided the grand jury in finding such indictment. Instead, as matters now stand, it will go to another official who will have to issue an information, on which the accused will need to be tried. If this official does not see fit to issue the information, the grand jury's work will have been for naught. This has happened in the past.

It is some of these lesser crimes which plague our community. Charges of corruption of our law-enforcement agencies, and charges of malfeasance and misfeasance of our officeholders arise from time to time. The public officials who share this philosophy would have us believe that this is no concern of the grand jury. They cynically argue that the voters deserve to get the type of public official they elect, and if they are not satisfied they can vote him out of office in the next election. Meanwhile, of course, he should be allowed to do as he pleases at the community's expense and to its great harm. It is the idea of rascals, who we as voters, sometimes unfortunately and to our sorrow, put into office. Under the present system the grand jury is hamstrung in its efforts to look into matters concerning public officials.

We were convened and told that we would be presented with capital cases as they arose and that we could investigate other matters as we saw fit. In theory the grand jury is powerful as it is the direct instrument of the citizens. In actuality the power is that of the waterfall. Machinery is needed to direct and employ the power of the grand jury, as the dynamo is needed for the waterfall.

We feel that there is a necessity to consolidate the duties and responsibilities for the enforcement and the prosecution of the criminal laws in one office instead of in the two offices of county solicitor and State attorney as at present. This single prosecutor should be the one who works with the grand jury and who should prosecute all of the indictments the grand jury renders, both capital and otherwise. This prosecutor should be the implement through which the grand jury conducts its investigation. He should have available a staff of police investigators whom he can direct to search for the presence of evidence concerned with the grand jury's deliberations. The grand jury should be able to hire such special investigators as it deems necessary, they to be paid out of the \$30,000 annual fund which the recent statute has provided for the grand jury. It should not be necessary for a grand jury to do the legwork on investigations, for that calls for skill and experience, which the ordinary citizen who is called for jury duty does not ordinarily have. And then, of course, we come to the basic thing. It will be up to the citizens to elect a prosecutor who will be capable, fearless, and honest.

SUGGESTIONS FOR IMPROVEMENT OF THE GRAND JURY SYSTEM

This grand jury in common with many of its predecessors experienced some difficulty in procuring a quorum for our various sessions. As has been the case with past juries, ours was composed of 18 members, 15 of which constituted a quorum. This, of course, gave us the usual leeway of three. However, shortly after we were impaneled, the court permanently excused one of our members from attendance at all subsequent sessions. This left us with only 17 active members and due to illnesses and personal emergencies, it was difficult at times to obtain the necessary 15 in attendance.

This experience points up the appropriateness of increasing the membership of the grand jury from 18 to 23, with retention of the requirement that 15 constitute a quorum as called for in a bill recently enacted by the State legislature. Regardless of the fact that this law has been held invalid by the circuit court and a decision thereon is now pending before the supreme court, we concur in the basic thinking which motivated in its enactment.

Numerous grand juries in the past as well as various other groups have long recommended that changes be made in the method of selection of grand juries. In this we heartily concur. The present system of selection from the list of petit jurors drawn for a particular term of court to our mind is woefully inadequate. It results in the impanelment of a group of jurors who have no advance warning that they are to serve as grand jurors and who, as a consequence, are not as well prepared to discharge their responsibilities as should be desired.

We feel that the selection system should be changed; that grand jurors should serve on a voluntary basis; that they should submit their name with their qualifications in an application to the clerk of the circuit court and in their application, they should agree to serve when called. The jury commission should have the applicants thoroughly investigated and only those found qualified should be eligible to serve. A list of at least 500 such qualified applicants should be maintained and grand jurors selected from this list by lot. We also feel that the selection of names for a grand jury should be made at least 2 weeks prior to prospective date of their impanelment, and that those selected should be notified at the time of their selection. This would give them time to arrange their personal affairs so that they could devote more time to their jury duties and also time in which to acquaint themselves with their duties, responsibilities, prerogatives, etc. In connection with the latter point, we strongly recommend that a manual for grand jurors be prepared and made available to the individual jurors at the time of their selection, so that when they are impaneled, valuable time will not be lost while they endeavor to learn some of the details of grand jury procedures.

POLICE

We feel that we cannot commend the officials in charge of the Miami Police Department, whether they be the chief of police, the city manager in his capacity as director of public safety, or the city commission, for permitting bickerings and feuds to exist in the police department. To permit the existence of such things is evidence of a cynical attitude toward enforcement of our laws and indifference toward the department's morale. It shows that the department is not functioning as a team, but rather for the personal aggrandizement or enrichment of certain of its members. Such actions set poor examples for the young men who enter the police force. The low esteem to which the police department falls in the minds of the citizens is a poor reward for the honest men who have devoted their years of service in the department.

We believe that the majority of the police officers in Dade County are honest, reliable, and energetic but that there are some men who still feel that they should accept gratuities, although the pay in the various departments is considered good. It appears that a few have shown evidence that they are living in a manner, or have purchased property of a value far beyond that which their earnings would appear could be possible. We believe our successor grand jury might desire to look into this matter.

Evidence presented indicates that the Miami Police Department is not sufficiently manned, especially during the winter months when the police work is the heaviest, and we recommend that this condition be corrected.

It appears that the civil-service system can be an obstacle to efficient law enforcement in that it has such liberal powers over the hiring and firing of police officers. The system should be designed to protect career employees but not to act as a cloak to hide behind for those subject to punishment and discharge because of misfeasance and neglect of duty.

The sheriff's office is to be censured on its laxity in locating, or rather failing to locate, all the persons who were to make up the panel from which this grand jury was drawn. We believe that too large a percentage of subpoenas were unserved.

We feel that light sentences and fines are not conducive to deterring crime. It is discouraging to good police work when offenders are repeatedly released with a minimum of punishment.

ACKNOWLEDGMENTS

We appreciate the strong charge to the grand jury by Judge Stanley Milledge and we regret that subsequent happenings blocked the complete fulfillment of that charge. We wish to thank Judge Milledge for his unsparing time and advice which convinced us of his sincerity in the public interest.

The State attorney's office handled the various cases presented to this grand jury in a very efficient manner. We acknowledge with thanks the assistance and legal advice extended by the State attorney, Hon. Glenn C. Mincer, and his assistants, John W. Prunty and Harvie S. DuVal.

We wish to commend the police officers who appeared before this grand jury for the efficient manner in which they handled their work in each case presented by the State.

The cooperation received from the press was very gratifying and we extend our thanks for the assistance we received from all of the newspapers.

The Crime Commission of Greater Miami extended full cooperation and valuable assistance. We hope that this organization will continue its work in helping to protect Dade County from the evil forces that would weaken and degrade our community.

We feel indebted to the men and women who appeared before us as witnesses for their time and worthy testimony.

It now appears that the spring term of the Circuit Court of the Eleventh Judicial Circuit will terminate on Monday at midnight, the 7th day of November 1949, and as there is no reasonable expectation of the supreme court rendering a decision prior to that date, this grand jury respectfully requests this court to discharge or recess this grand jury, with an appropriate order as the court may see fit and be advised.

Respectfully submitted.

DADE COUNTY GRAND JURY, SPRING TERM, 1949,

By WALTER E. MORRIS, *Foreman*.

T. THURSTON RITTER, *Clerk*.

Dated the 7th day of November, A. D., 1949.

EXHIBIT No. 107

[From the Miami News, July 11, 1950]

COUNTY DELAYS ELISOR CONFERENCE

County authorities have postponed until Thursday their conference on future action in the cases of 15 men arrested in an elisor raid on the Surfside Hotel at Miami Beach a year ago last April.

Criminal Court Judge Ben C. Willard said he will wait until County Solicitor Robert R. Taylor gets back to town before calling the meeting with Taylor's assistant, Michael Zarowny, and attorneys for the S. & G. syndicate. The latter have moved to suppress evidence in the case on grounds that an elisor warrant is illegal. Action will be planned to get a Florida Supreme Court decision on this question as soon as possible.

If the appointment of an elisor—a private citizen vested with authority by the court—is held legal, prosecution of the 15 defendants will go forward, the county solicitor's office has explained. Judge Willard has indicated he may order the evidence suppressed so that the case will come before the supreme court at once.

EXHIBIT No. 108

GAMBLING BROWARD COUNTY

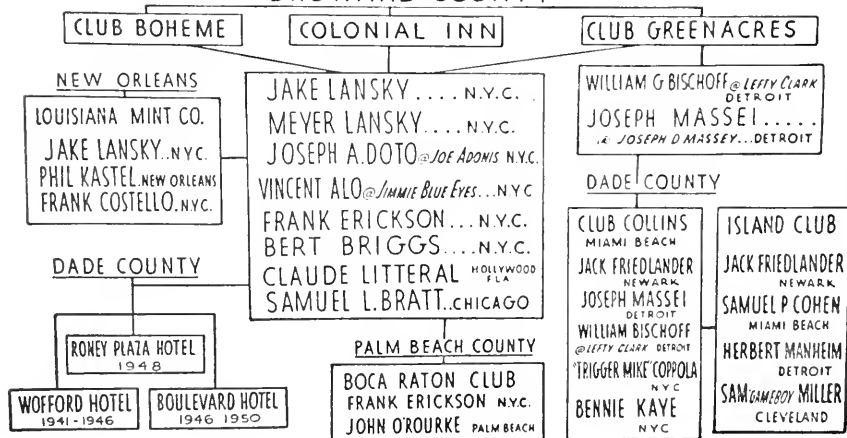


EXHIBIT No. 109

Exhibit No. 109
WIRE SERVICE

HEADQUARTERS
AND
MEETING PLACE
OF N.Y. C.
SYNDICATE

THE FARM

HALLENDALE BEACH ROAD

CLUB GREENACRES

MONEY CRAPS
JOE MASSEI
W.G. BISCHOFF
LEFTY CLARK

GULFSTREAM
RACE
TRACK

CLUB BOHEME

COLONIAL INN

BROWARD COUNTY
DADE COUNTY

ATLANTIC OCEAN

GRAHAM PRESS

901 GNE 6 AVENUE

DADE COUNTY
NEWSDEALERS

U.S. FEDERAL HIGHWAY #1

CITY OF
MIAMI

VOICE BROADCASTS

EXHIBIT No. 110

HOTEL OPERATION

WOFFORD HOTEL

THOMAS J. CASSARA . CONN
NEAL LANG MIAMI BEACH
ANTHONY CARFANO @LITTLE AUGIE PISANO N.Y.C.
JOHN ANGERSOLA . CLEVELAND
MAX MARMORSTEIN " "
OTTO LORENTZEN " "
JOHN CARDONE " "
FRANK ERICKSON . . . N.Y.C.
ABE ALLENBERG . . . N.Y.C.

ERICKSON AGENTS
BERT BRIGGS N.Y.C.
AL CANTOR N.Y.C.
JACKIE ZELDOW N.Y.C.
FRANK STRADER
CLIFFSIDE, N.J.

GRAND HOTEL

THOMAS J. CASSARA
CONNECTICUT
FRED ANGERSOLA
CLEVELAND
BENNIE STREET
PHILADELPHIA
DAVE GLASS
PHILADELPHIA
JOSEPH MASSEI MASSEY MASSIE
DETROIT

SANDS HOTEL

BENNIE STREET PHILADELPHIA
DAVE GLASS " " "
"NIG" ROSEN N.Y.C.
MAX WEISBERG @WILLIE WEISBERG
PHILADELPHIA
"BIG AL" POLIZZI CLEVELAND
HERMAN STARK N.Y.C.

ASSOCIATES & CLIENTELE

MAX ROTHMAN PHILADELPHIA
MAX SEIGAL @ SEGAL " "
SAMMUEL "CAPPY" HOFFMAN " "
NATE RAYMOND @ WIGDER NATE " "
MICHAEL MATTEO " "
FRANK MATTEO " "
ANTHONY NARCISCI " "
HARRY PROVAN " "
HARRY SEIGEL " "
RAYMOND BOYNE " "
MAX RICE " "
IRVING GREENBERG " "
JOSEPH HERMAN " "
ABE GLASSMAN " "
JACK FRIEDLANDER NEWARK, N.J.
MARGO REGINELLI CAMDEN, N.J.
WILLIE MORETTI @ "WILLIE" MOORE
BERGEN CO. N.J.

ASSOCIATES & CLIENTELE

JOSEPH A. DOTO @DETROIT
MEYER LANSKY " N.Y.C. & N.J.
VINCENT ALO "JIMMIE BLUE EYES" N.Y.C.
FRANK COSTELLO NYC
GEORGE ANGERSOLA CLEVELAND
ROMEO CIVETTA " "
TONY CIVETTA " "
CARLOS CIVETTA " "
ALFRED "BIG AL" POLIZZI " "
ABNER "LONGIE" ZWILLMAN NEWARK, N.J.
NICK DELMORE ELIZABETH NJ
ROCCO DE STEFANO CHICAGO, ILL
NICK BRAVOS @ M. BRADO CHICAGO, ILL

GAMBLING GAMES

"LITTLE AUGIE" PISANO . . . N.Y.C.
JOHN KING @ JOHN ANGERSOLA CLEVELAND
JOE MASSEI . . . DETROIT
CHARLES FISCHETTI . . . CHICAGO
ANGELO DE CARLO @ GYP DE CARLO NJ
ALFRED POAGY TORIELLO . . . N.Y.C. & BENCE
MAX WEISBERG @WILLIE WEISBERG
PHILADELPHIA
JOE BURNSTEIN . . . DETROIT
"TRIGGER MIKE" COPPOLA . . . N.Y.C.

EXHIBIT No. 112

BUREAU OF POLICE,
Philadelphia, Pa., July 19, 1949.

MR. DANIEL P. SULLIVAN,

Crime Commission of Greater Miami, Miami, Fla.

DEAR MR. SULLIVAN: Your letter of June 17, 1949, with reference to Willie Weisberg and Cattie Hoffman of this city, was duly received. I have deferred answering it in order to compile detailed information concerning these individuals and their associates.

Willie Weisberg and Cattie Hoffman are the chief lieutenants of the notorious Harry Stromberg, alias Nig Rosen, a native of New York City, who came to Philadelphia during the prohibition era and established himself here as the kingpin of gangsters, bootleggers, and rum runners. He gathered about him a mob of killers, sluggers, and strong-arm men. Rosen ruled with an iron hand, and those who opposed him were either killed or otherwise removed from circulation.

After being driven from Philadelphia, Rosen made his headquarters in Upper Darby, Pa., just beyond the Philadelphia city line, and operated there until the late thirties. He then returned to New York City, but retained control of the local mob, and personally directed its activities through Willie Weisberg.

Rosen has connections with the underworld through the entire Nation. So far as the local mob is concerned, he is their undisputed leader, and is commonly known as The Mahoff. Among his followers his word is law, and an unfortunate accident is likely to befall any member who flaunts his authority.

Rosen's interests are many and varied. For years, he operated the Dearest Miss Dress Co., 254 West Thirty-fifth Street, New York City, in connection with which he operated a number of dress factories in the eastern part of the country. He is also believed to exercise some power among union and labor circles connected with the garment industry.

In the mid-thirties, Rosen, by coercion, seized control of the Maryland Athletic Club of Bladensburg Road and District Line, just outside of Washington, D. C., which is one of the oldest and largest gambling houses in the United States. Its owner, one James LaFontaine, known as "the Frenchman," is an elderly man, who has since been relegated to the role of minor partner. Rosen is fronted for, in this establishment, by one Herman, alias "Mugsy," Taylor, local fight promoter, who has run gambling houses all his life.

Nig Rosen controls a large part of gambling, numbers, lotteries, and horse and sports betting in the Philadelphia area. We have known that he has for many years been closely associated with Meyer Lansky, of New York City, and he is believed also to have a piece of some of the Lansky interests in the vicinity of Miami Beach, Fla., and in the West, particularly Las Vegas, Nev. There is a persistent rumor, which is borne out by some known facts, that the late "Bugsy" Siegel was executed by a local henchman of Rosen's, acting on behalf of the Rosen-Lansky interests.

It is well known to us that Nig Rosen connects closely with the Capone mob of Chicago and the various major mobs of New York City, including the Fischetti, Long Zwillman gangs.

You are correct in your understanding that Nig Rosen is not permitted in Philadelphia. However, as we have already stated, he still exercises the control of his mob by long distance through Willie Weisberg.

We have information that on July 6, 1948, Sylvia Stromberg, wife of Nig Rosen, purchased a property at 4236 Pinetree Drive, Miami Beach, Fla., at which address she had apparently resided since November 2, 1947, and possibly prior thereto. It is our understanding that this property is the home of Nig Rosen.

It is also our understanding that during the winter season there is a great influx of Philadelphia gangsters and racketeers in the Miami and Miami Beach areas. Also, that Willie Weisberg and Cattie Hoffman, acting on behalf of Nig Rosen, have backed gambling there. During the summer season this combine operates in a similar fashion at Atlantic City, N. J. We have been informed that the headquarters and usual meeting place of the various members of the mob when in Miami Beach are the Sands and Grand Hotels, of which Benny Streetsky and Davey Glass, both Philadelphians, are or were proprietors.

In order that you may know the various members of the Nig Rosen mob and their background, we have compiled and send to you herewith copy of the criminal record of its most prominent members, including the leader, Nig Rosen. We are also sending you photographs of each of the individuals whose records we are

supplying, together with a separate sheet in which we briefly outline the nature of the activities of each.

Please call upon me for any information or cooperation which will assist you in dealing with these mobsters. I am personally interested in cooperating with any law-enforcement agency in the curbing of this nefarious group.

Very truly yours,

GEORGE F. RICHARDSON,

Assistant Superintendent, Commanding Detective Division, Department of Public Safety, Bureau of Police.

DATA CONCERNING NIG ROSEN MOB

1. Harry Stromberg, alias Nig Rosen: See letter above.
2. Willie Weisberg: Chief lieutenant of Nig Rosen. Resident of Philadelphia and overseer of the mob.
3. Samuel "Cappie" Hoffman: Willie Weisberg's bodyguard and chief "enforcer." This man is a killer and strong-arm man.
4. Orving Greenberg: Resident of Philadelphia. Former bootlegger. Presently operator of horse and number banks. He is known to participate in the gambling set-up with Willie Weisberg at Miami Beach, Fla.
5. Max Rothman, alias "Chinkie": Killer and strong-arm man, also "enforcer" for the mob. He is rumored to be the killer of "Bugsy" Siegal, and spent some time in Las Vegas, Nev., prior to the killing, and left shortly thereafter. Resides in Upper Darby, Pa., outside of the Philadelphia city limits.
6. Joseph Herman, alias Herman Kriss, alias Little Krissy: Killer and strong-arm man for the mob. Resides in or near Chester, Pa., where he is employed in the Rosen-controlled gambling set-up. Also, drug addict.
7. The Matteo brothers, alias Mendel: These three individuals are among the most dangerous gangsters of Philadelphia; although part of the original Nig Rosen mob with which they are still connected they also tie in with the New Jersey Italian mob, headed by Marco Reginelli, alias "The Little Guy," who is absolute czar of the Italians in the south Jersey and Philadelphia areas. In Philadelphia proper, however, the Matteos control the strongest Italian mob. They have almost absolute control of the alcohol racket. They also have a very large interest in gambling and numbers. On occasion in the past, they have been conspicuous by reason of their interest in vice and prostitution. They have also been known to have handled narcotics. There are a number of brothers, but the most important of them are Frankie, Nickie, and Salvatore, alias John Lewis.
8. Tony Narcise: Killer and "enforcer" for the mob. Drug addict. Lately engaged in the operation of gambling houses outside of Philadelphia.
9. Isreal Halpern, alias Dan Shunkus: Old-time pickpocket, drug addict, and procurer of drugs. Lately engaged in gambling and numbers.
10. Abe Glassman: Largest bookmaker in Philadelphia on horse races, baseball, and sports. He is known to be very closely associated with Nig Rosen and Willie Weisberg, and it is believed that within the past few years, Rosen "muscled" in on the Glassman business.
11. Harry Provan: Old-time pickpocket, drug addict, dope peddler. Lately engaged in bookmaking and numbers lottery.
12. Samuel Lit: Gambler, who on occasions has operated some of the largest horse, baseball, and sports betting set-ups in Philadelphia.
13. Nathan Stromberg, alias Nussie Rosen: Brother of Nig Rosen. Resident of Chester, Pa., where he manages the Rosen gambling set-up.
14. Joseph Kutcher, alias Billy Devine: This man was a drug addict and peddler, who in late years had been an errand boy for the mob. However, he died and was buried during the week of July 4, 1949.
15. Jack Newman: Slugger and strong-arm man for the mob, who for the past few years has resided in New York City, where he is said to have control of large pinball concessions in the garment-working area.
16. Moe Newman: Former killer and strong-arm man for the mob. This man, for the past few years, has also made his home in New York City, but is still connected with the Rosen mob. Both Newmans are brothers of Jeff Newman, who is serving a life sentence in Stillwater Penitentiary, with Al Silverberg, for a mob murder. Jeff Newman and Al Silverberg during the prohibition era were the chief executioners of the Rosen mob.

17. Harry Siegel, alias Little Shooey: Local gambler, currently employed by Abe Glassman.

18. Max Segal, alias Big Shooey: Former strong-arm man and killer for the mob, who in late years has been connected with the numbers racket in Philadelphia.

19. Abe Rothman: Brother of Max Rothman. Local gambler and member of the Rosen mob.

20. Samuel Schlenker: Long-time member of the mob. Formerly operated house of prostitution. In later years has resided in Chester, Pa., where he operates the Sun Hotel which is the headquarters and chief meeting place of the Rosen mob in Philadelphia and the area. This individual is commonly referred to as "The Colonel."

21. Raymond J. Boyne, alias Johnnie Murphy: Formerly a resident of Philadelphia suburbs. Formerly a killer and strong-arm man for the mob in Philadelphia. Not known whether this man is still active.

22. Frank Palermo, alias Blinkey: Fight promoter. Runs gambling and numbers lottery. Manages Ike Williams, lightweight champion.

EXHIBIT No. 113

2848-Sub A 1300 05 #1430 U.S.

This Indenture, made this 6th day of February A.D. 1937
 BETWEEN JOHN KING, joined by his wife Emily, and
PHILIP MARCOLOZZI, joined by her husband ALFRED MARCOLOZZI, Grant
 Alfred Polizzi being the same party as the grantor herein,
 of the County of Dade, State of Florida, for and in consideration of the sum of
THIRTY DOLLARS AND ONE HUNDRED AND FIFTY CENTS (\$30.50) to them in hand paid by the party of the first part, the receipt whereof is hereby
 acknowledged, HAVE GRANTED, SELLING and CONVEYED unto the party of the second part, all that certain lot or lots of land, to-wit:
 Lots 1, 2, 3, 4, 5, 6, 7 and 8, and Lots 17, 18, 19, 20 and 21,
 in Block 20, Riviera Section, Tract 3, CORAL GABLES, according
 to the plan thereof recorded in Plat Book 20, at page 18 of the
 Public Records of Dade County, Florida.

The lots hereby conveyed are unimproved and do not constitute the
 business of any of the parties hereto.

CANCELLED

WITNESSETH that the said party of the first part, for and in consideration of the sum of
THIRTY DOLLARS AND ONE HUNDRED AND FIFTY CENTS (\$30.50) to them in hand paid by the party of the second part, the receipt whereof is hereby
 acknowledged, HAVE GRANTED, SELLING and CONVEYED unto the party of the second part, all that certain lot or lots of land, to-wit:
 Lots 1, 2, 3, 4, 5, 6, 7 and 8, and Lots 17, 18, 19, 20 and 21,
 in Block 20, Riviera Section, Tract 3, CORAL GABLES, according
 to the plan thereof recorded in Plat Book 20, at page 18 of the
 Public Records of Dade County, Florida.

The lots hereby conveyed are unimproved and do not constitute the
 business of any of the parties hereto.

IN WITNESS WHEREOF, we this 6th day of February, 1937, at the City of Miami, Florida, have hereunto set our hands and seals.

JOHN KING
 EMIY KING
 PHILIP MARCOLOZZI
 ALFRED MARCOLOZZI

Witnessed and delivered in presence of us
 J. H. King
 E. H. King
 P. H. King
 A. H. King

(SEA)
 (SEA)
 (SEA)
 (SEA)

EXHIBIT No. 113 - Continued

NOV 28 1945

STATE OF FLORIDA

County of Dade

I HEREBY CERTIFY that on this day personally appeared before me as officer duly authorized to administer oaths and take affidavits, JOHN KING and Mary KING husband and wife.

They are known to me as the persons described to me and who executed the foregoing deed and acknowledged before me that they executed the same freely and voluntarily for the purposes herein expressed.

WITNESS my hand and official seal at Dade Florida this 27th day of February A.D. 1947.

County of Dade and State of Florida this 27th day of February A.D. 1947.

My Commission expires Sept. 27, 1947

My Commission expires Sept. 27, 1947

My Commission expires Sept. 27, 1947

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My Commission expires Sept. 27, 1947

EXHIBIT No. 114- Continued

STATE OF FLORIDA

COUNTY OF DALLAS

I, JOHN A. HARRIS, Clerk of the County of Dallas, State of Florida, do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears in the files of the County Clerk.GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 15th day of April, 1934.Attest my hand and seal of office, this 15th day of April, 1934.

JOHN A. HARRIS, Clerk of the County of Dallas, State of Florida.

I, JOHN A. HARRIS, Clerk of the County of Dallas, State of Florida, do hereby certify that the within and foregoing is a true and correct copy of the original as the same appears in the files of the County Clerk.GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 15th day of April, 1934.Attest my hand and seal of office, this 15th day of April, 1934.

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JOHN A. HARRIS, Clerk of the County of Dallas, State of Florida.

EXHIBIT No. 120

JUNE 15, 1950.

Hon. ROBERT R. TAYLOR,

County Solicitor, Dade County Courthouse, Miami, Fla.

DEAR MR. TAYLOR: Over the years you have consistently been urged by numerous citizens and civic groups, as well as by the newspapers and by some grand juries, to take vigorous action to stem the growing tide of criminal infiltration and rackets into this area. On numerous occasions you have been severely criticized by these same well-intentioned individuals, groups, and institutions.

From my observation you have invariably parried with some stock phrases instead of giving the public action out of your office. I recall that your answers have been that your office was doing a good job, that the criminal and racket activities were exaggerated, that those who were critical of you were seeking publicity, that if your critics would conduct their own investigations and issue warrants for the violators of the law, you would be glad to pursue prosecution, and that you have no investigators in your office to do the investigative work to build up a case.

When I called upon you to take action in connection with the secret meetings of the city council in the city of Miami Beach, you assured me that you would prosecute the matter vigorously in the event that all of the required evidence was presented to you. I meticulously established a case for you with dates, times, names, and places, together with witnesses. After considerable delay you told me that you had discussed the matter with some of the proposed defendants and that you were satisfied that there was no violation of the Florida statute.

In a proceeding brought by me to determine the legality of the secret meetings in the face of the Florida statute, the Honorable Charles A. Carroll, one of our circuit judges, stated:

"In fact, it is somewhat surprising to me that this matter should even be submitted to the court for an interpretation, because all a court needs to do in order to interpret this statute is to quote and refer to the fact that it says that all meetings of the city council shall be held open to the public."

Reams of evidence have been made available to you through private citizens, through groups and organizations, and through the newspapers. Many hundreds of pages of newspapers have listed, day after day, the names of known gamblers and racketeers in this area and have shown pictures of their gambling casinos together with the addresses of these institutions that operated with obvious immunity from prosecution. Yet, over the years no action has ever been taken by you. But, in no instance, in my opinion, has the matter been brought home more forcefully than in the past several weeks through the exposé revealed in the tentative reports of Senator Kefauver's committee. You cannot deny that the information revealed in the Senate inquiry in Washington, as well as the reports released by the Kefauver committee and by the office of the New York district attorney, gives your office ample basis for a vigorous investigation and prosecution of the big-time rackets that have concentrated in this area.

It is significant to note that the ink was hardly dry on the report of Frank Erickson's testimony before the Senate committee when the office of the New York district attorney had taken possession of vital and important records which revealed the tie-up of Erickson and other racketeers in this area. It is even more significant that the New York district attorney's office, within a matter of weeks, has been able to set Erickson's trial date for no later than this Monday.

In spite of all this evidence, what witnesses has your office subpoenaed and what papers has your office sought to procure from the local racketeer syndicates in an effort to wipe out criminal graft and corruption in your jurisdiction? From my observation your office has continued to plod along as though nothing has happened.

The newspapers have made it clear that the Internal Revenue Department is ready to take criminal action against the S. & G. Syndicate. One of the charges is that the returns failed to show income apparently received for the payment of bribes to public officials. The very fact that the racketeers have been permitted to openly ply their activities over the years was clear enough indication that some deal had been made with some public officials. This latest revelation indicates clearly that apparently bribes were paid to somebody. What more evidence does your office need to commence an investigation?

If you require detailed information on how to proceed, I recommend that you subpoena all of the bookmakers who have ever been convicted in the municipal

court in the city of Miami Beach, as well as in the municipal courts of other cities throughout the area, and pursue a searching inquiry into their activities, their payments, their receipts, and their bosses. The names and addresses of these men are available to you through each of the police departments and through your power as county solicitor you can procure that information with dispatch. I think that such an inquiry alone would give your office sufficient information to prosecute some of the big-time racketeers in this area. If you find that insufficient, you might try inquiring of the members of the local syndicates themselves concerning bribe money they paid. When you learn from them to whom the money was paid, you can commence prosecution of the public officials who received the money. I anticipate your response that if you inquire from the big-time racketeers, on subpoena from your office, their testimony will grant them immunity from prosecution themselves. In the first place, such immunity would be only with regard to the particular crime involved, that of the payment of the bribes. They would not be immune from prosecution for their consistent violation of the laws over the years. And secondly, is it better to grant immunity to some racketeers in order to destroy the existence of the rackets or to pursue the course you have taken up to now to permit the rackets to continue to operate.

I further recommend that you might possibly procure some valuable information from your brother-in-law, Ben Shepard, who is the city attorney in the city of Miami Beach. He has apparently had considerable dealings with the S. & G. Syndicate members and might be able to give your office a great deal of valuable information concerning their operations. To illustrate what I have reference to, I quote from a portion of an instrument filed by me on May 30, 1947, in a cause pending in the circuit court of Dade County, Fla., in Chancery No. 96153F. It should be borne in mind, in examining the quotation, that it is customary practice, as you well know, for attorneys in the representation of clients purchasing real estate, to have the deeds returned from the recording department to their own offices.

The excerpt from the pleading referred to reads as follows:

"It is significant to note that the fee-simple titles to many of the lots in that are vested in the names of members of the syndicate hereinabove referred to and are vested in the names of persons who in some way are directly associated with the city hall in Miami Beach, Fla. Those fee-simple ownerships are set forth in the following list together with other significant information showing to whom the original deeds were returned and to whom tax bills are sent:

AMENDED PLAT, FIRST OCEAN FRONT SUBDIVISION

Lot No.	Fee-simple owner	Deed returned to—	Tax bills sent to—
4.....	Virginia Leavitt and Samuel Friedman.	Ben Shepard.....	Virginia Leavitt and Samuel Friedman.
5.....	Harold Salvey.....	do.....	Harold Salvey.
13, N $\frac{1}{2}$ 12.....	Samuel P. Cohen and Charles Friedman.	Samuel Cohen, c/o Sam Kay.	Samuel P. Cohen and Charles Friedman, c/o Sam Kay.
14.....	Ocean Front Apartments, Inc.....	J. N. Morris.....	Ocean Front Apartments, Inc., c/o Sam Kay.
23.....	Harold Salvey.....	Copeland, Therrel & Baisden.	Harold Salvey.
24.....	Charles Friedman and Jules Leavitt.	do.....	Charles Friedman and Jules Leavitt.
243.....	Virginia Leavitt.....	Virginia Leavitt.....	Virginia Leavitt.
337.....	Jules Leavitt and Charles Friedman.	Ben Shepard.....	Jules Leavitt and Charles Friedman.

AMENDED PLAT, SECOND OCEAN FRONT SUBDIVISION

1, 2.....	William Burbridge.....	Copeland, Therrel & Baisden.	Ben Shepard.
4, 5, and 6.....	Ray Corp.....	do.....	William Burbridge.

"It is significant to note that in the case of the members of the syndicate the deeds in some instances were returned to Ben Shepard; that Ben Shepard is the city attorney for the city of Miami Beach and is the attorney of record for the city of Miami Beach, the defendant in this cause of action. It is further significant to observe that Ray Corp., hereinabove mentioned, in its last report filed

with the secretary of state of the State of Florida, designated as its place of business or domicile for service of process 1130 Washington Avenue, Miami Beach, Fla., which is the city hall at Miami Beach, Fla.; that the officers of the corporation in the said last report were shown as Farber Burbridge, president; William Burbridge, secretary and treasurer, both care of Ben Shepard, attorney, City Hall, Miami Beach, Fla.; and the directors of the corporation were shown as Farber Burbridge, William Burbridge, and Ben Shepard, attorney, 1130 Washington Avenue, City Hall, Miami Beach 39, Fla.; that the said William Burbridge named as an officer and director of the said corporation is a member of the Miami Beach City Council. With respect to lots 13 and the north one-half of lot 12 of Amended Plat, First Ocean Front Subdivision, aforesaid, the fee-simple owners, Sam Cohen and Charles Friedman, it should be noted that the tax bills are sent to the said fee-simple owners, care of S. Kay, 420 Lincoln Road, Miami Beach 39, Fla.; that the said S. Kay owns considerable property, as shown hereinabove, in the name of Sam Kay and is an officer and director in Ocean Front Apartments, Inc., a Florida corporation, which latter corporation is fee-simple title holder of certain lots as shown hereinabove. Virginia Leavitt is the wife of Jules Leavitt."

I am sure that my critical opinion of your office will not arouse in you any desire to take an interest, in my behalf and in behalf of the people of the city of Miami Beach, in the recall proceedings that were instituted against me. However, on the outside chance that you might be interested, I should like to call to your attention the fact that I already have evidence that the recall movement was steeped in fraud and corruption, that it was apparently well financed by racketeers and selfish interests who gained financial benefits from the racket operations. I also have ample evidence of illegal registrations solely for the purpose of procuring additional signatures for the recall petitions. The very fact that a tremendous percentage of the persons who signed the recall registered immediately prior to signing same for the first time in the city of Miami Beach calls for an investigation by your office. I have in my possession affidavits showing that signatures were procured by fraud, by misrepresentation, by threats of bodily harm, and by the payment of money in consideration for the signature. You can appreciate the fact that the investigation conducted by me was a difficult one because I do not practice criminal law, I am not acquainted with investigative procedures, I have a limited time at my disposal, and I have no subpoena powers. The great number of persons with criminal records who were associated with the recall movement is reason enough to call for a public investigation. Where, as in this matter, it appears that a major vote fraud is involved, it becomes incumbent for your office to take action.

I am fully aware that you can complain about lack of cooperation from local police departments and from the sheriff's office. You also are in a position to complain that you do not have investigators to act in the capacity of detectives. However, from a law-enforcement point of view, yours is, without question, the most powerful law-enforcement agency in the State. Even without conducting on-the-scene investigations, through your subpoena power you are in a position to conduct investigations and to delve into the intricacies of the racket operations without leaving your office. You are a one-man grand jury with all of the powers that a grand jury has, plus many advantages that they do not have. The grand jury cannot be substituted for your office because they are made up of businessmen who have outside problems, because they are limited in their daily activities in their capacity as grand jurors, and because their term in office is extremely limited. You have every opportunity, especially at this time, to prove your worth as a law-enforcement officer. It would be a shame if the job had to be done by the Federal Government.

If the latest policy of the Governor of our great State is the proper method of procuring law enforcement, then his "bank nite" procedure should be substituted in its entirety for all of our law-enforcement officials. It would save the State of Florida a great deal of money and might prove to be more effective if law enforcement were completely taken over by private citizens on a give-away-program policy.

I am sending a copy of this letter to the Governor's office in the hopes that in the event your office takes no action in connection with the local racketeers, the Governor might possibly appoint a group of special prosecutors to do the job for us in this area.

If your office decides to take action, you may be assured of my cooperation, as well as the cooperation of all departments in the government of the city of Miami Beach.

Very truly yours,

MELVIN J. RICHARD.

EXHIBIT No. 121

[illegible]

EXHIBIT No. 122

[illegible]

EXHIBIT No. 123

[illegible]

EXHIBIT No. 124

LICENSE NO. 5938 1947-48 3500 AMOUNT

NAME S. & G. INVESTMENT

ADDRESS 420 Lincoln Road
Investments 4/12/48

APPLICATION FOR LICENSE

As required by ordinance of the City of Miami Beach, Florida, I hereby make application for license for the above business or profession:

W. H. Harris W. H. Harris
FURNISHING "INSURANCE" SIGNED
BA. ZONE. 3/10/48
DATE

EXHIBIT No. 124—Continued

STATE OF FLORIDA }
COUNTY OF DADE }

B. C. H.

hereby make application for City of Miami Beach

Licenses and permits on the reverse side hereof

SWORN TO and acknowledged before me this *9th* day of *March*,
A.D. *1948*

Natary Public, State of Florida at Large
My commission expires November 26, 1950
Bonded by Mass. Bonding & Insurance Co.

Gerardine Adams
Notary Public

EXHIBIT No. 127

GRAND JURY REPORT, WINTER TERM, A. D. 1948, FOR DADE COUNTY, FLA.

(Filed May 10, 1948)

IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT OF FLORIDA IN AND FOR
THE COUNTY OF DADE, WINTER TERM, A. D. 1948

Thomas B. Hamilton, Foreman; Arthur M. Collot, Vice Foreman; Odes E. Hall,
Clerk; T. E. Norman; Wm. J. B. Ellenburg; M. D. Galloway, Jr.; Raymond H.
Bauer; Kenath M. Fether; Rudolph C. Gehrken; Everett G. Carroll; Arthur P.
Ball; Dave Emmer; Albert S. Blitch; James L. Blair; Loren R. Goddard;
Arthur L. Adair; E. D. Gilliam; Sidney L. Belcher

Glenn C. Mincer, State Attorney; John W. Prunty, Assistant State Attorney;
W. Curry Harris, Assistant State Attorney

FINAL REPORT OF THE GRAND JURY

To the Honorable Judges of the Above Styled Court:

We, the grand jury, duly impaneled and sworn to inquire in and for the body
of the county of Dade, for the winter term A. D. 1948 of the Circuit Court of
the Eleventh Judicial Circuit of Florida, respectfully report to the court that
we were convened on the 10th day of February A. D. 1948. Thomas B. Hamilton
was appointed foreman by the court; Arthur Collot was appointed vice fore-
man. O. E. Hall was designated as clerk. Forthwith thereafter we recessed
and reconvened at the hour of 10 a. m. on the 17th day of February 1948.

CAPITAL CASES

We have considered a total of 11 capital cases and have returned the following
indictments to wit:

Murder in the first degree	1
Murder in the second degree	1
Manslaughter	1
Rape	4
Assault with intent to commit rape	1
No true bills	3

In the course of our deliberations a total of 68 witnesses have been heard. We
have filed four preliminary and one supplemental report.

In relation to the recommendations that this grand jury is making, we find that a number of these recommendations have been made from time to time by past grand juries with no action ever being taken on these recommendations.

We strongly urge that the report of grand juries be given more serious consideration by public officials than heretofore. It is unfair to expect 18 citizens to spend their time and efforts at great expense to themselves, by serving on grand juries, assembling information, and recommending corrective action, and then discover that such recommendations are completely ignored. Continuity of plan and effort is sorely needed.

This grand jury therefore recommends that immediately after a new grand jury disposes of its capital crime calendar, and before any investigations are made, it analyze and study the report of the previous grand jury and call before it all public officials whose responsibility it would be to follow up on the previous grand jury's recommendations; and there and then get from these public officials an accounting of what action had been taken under recommendations made by the prior grand jury.

It is very difficult for members of the grand jury, no matter how sincere that they may be in their efforts, to assemble facts and information that are necessary to determine whether or not the laws are being properly enforced by law enforcement officials. This grand jury keenly felt the futility of its efforts because of the deficiency of the machinery for investigations under certain conditions.

Let it be remembered that grand jurors are business or professional men who do not know the rules of legal evidence and do not know enough about criminal laws.

We recommend that our State representatives and State senator seek new legislation looking toward a change or changes in the State laws regarding grand juries. Such changes to be as follows:

1. Authority vested in the grand jury to employ competent and specialized legal advice.

2. Authority by the grand jury to employ competent and expert investigators and stenographic assistance.

3. To empower either the Governor of the State or the circuit court judge who originally impaneled the grand jury, to extend the life of such grand jury beyond its term, and for an indefinite period; such an extension to be granted only upon the request and petition of the grand jury itself.

These provisions, if enacted into law, would do away with the uncertainty and the ineffectiveness with which grand juries proceed with investigations during the closing period of their term. They would then be empowered to follow through to a successful conclusion any action they undertook, and would obviate the necessity of following grand juries to delve into the same matter.

As has been recommended time and again by other grand juries, proper laws should be passed by the State legislature outlawing the use of telephone, telegraph, and radio services, or other methods of communications, for the dissemination of racing information for illegal operations.

It has long been a known fact that lawmaking bodies cannot successfully legislate morals. The best example of this statement was the late lamented Prohibition Act. Impossibility of enforcement led to a general breakdown in all law enforcement. We are faced today with the same situation on the question of gambling. This grand jury has pondered the question thoroughly and deeply: it has gone through every phase of gambling activities, from bookmaking to mobster infiltration. The consensus of opinion of the grand jurors has boiled down to the fact that inasmuch as we find general laxity in the enforcement of the gambling laws, and that inasmuch as pari-mutuel betting has been legalized by the State, and that furthermore, if all who desire to bet, were compelled to attend the various pari-mutuel establishments, they could not be accommodated, we believe that a solution would be to legalize bookmaking where bets may be made and coursed through whatever pari-mutuel establishment was operating at the time, thereby gaining for the State the revenue it now loses through sneak bookmaking.

Such legalized bookmaking stations should be licensed and controlled by the State, county, or municipal governments, whichever the legislators, in their judgment, may deem best. Policing of such a set-up should be put into the hands of the State racing commission, and the funds of such policing should be derived from the revenue received by the State racing commission.

It has come to our attention that through devious and various means and subterfuges, telephones have been diverted from legal use to bookie operation. At our instigation the telephone company investigated 57 bookie locations having

Western Union telegraphic sporting wire service. Although it was difficult to prove the illegal use in some cases, in other cases, wide open house booking was being carried on and from the result of this investigation, 48 telephones were removed and released for use by legitimate subscribers, and 22 Western Union wire services were discontinued. Confined following up of these methods of investigation by other grand juries or other organized effort, would release many phones for legitimate use. From testimony given before this grand jury by the Western Union Telegraph Co. it appears that race results are disseminated over a Western Union loop, throughout Dade County, originating from headquarters in Broward County. We emphasize the seriousness of the present situation, that in spite of our efforts the book makers have continued to operate.

Hotel managements are allowing booking operations and actually becoming a partner by leasing booking concessions under the subterfuge of calling them cigar stands, etc., leased at enormous rentals. This violates the State hotel laws and the hotel's license should be revoked by the State hotel commission. The management should be made a defendant along with any prosecution of the persons actually operating the "book" in rental locations at these hotels.

We believe that changes should be made in the method of selecting men for grand juries. We suggest that a separate list be maintained, which list would be composed of citizens of the proper qualifications to serve on grand juries. We also recommend that it would be advisable to have some alternates in addition to the 18 men drawn for grand jury service, as in a great number of instances the operation of grand juries has been hindered by sickness and other absences. We also believe it would be advisable to convene a grand jury at the beginning of each term of the circuit court and this grand jury should serve until that particular term of court expires.

It has been our experience in this grand jury's tenure of service that as long as a grand jury remains in session, the commercial gamblers and certain other law violators do not operate as much as when no grand jury is in session. A grand jury in session is a definite deterrent to crime.

It would also be very helpful that some manual of information be published and presented to each grand juror after it convenes, so that its members would be familiar with the duties and powers that they have. We have found that most grand juries are composed of men who have not had previous grand jury experience and this manual would be very helpful to them.

The Chicago Crime Commission and the Grand Jury Association of New York published such a helpful booklet. We recommend that either the State attorney or the law enforcement institute of Dade County or the Dade County grand jury association prepare such a booklet.

We strongly endorse the formation and the objectives of the law enforcement institute of Dade County, and recommend that all citizens of Dade County, civic clubs, and business firms, actively support this organization, as we believe that if the public will support this institution financially and otherwise, it will be the means of assembling information which will be most helpful to future grand juries. It will also be one of the means of continuing the efforts of the grand jury after it has been discharged.

The law enforcement institute of Dade County is a heartening and wholesome innovation in this community. This grand jury being familiar with its formation, aims, and objectives, we urge all citizens and groups who want better law enforcement and improved civic conditions in general to join the institute at once.

We also recommend that subpoenas issued for witnesses to appear before a grand jury be kept secret, particularly in cases where laxity in the enforcement of laws is concerned. It has come to our attention that public knowledge has been obtained concerning witnesses who are to appear before a grand jury, as it seems very easy to determine when these subpoenas are issued and for whom they are issued.

There is not sufficient time in the term of grand juries to go into more than one or two matters that need investigation. This grand jury has concentrated principally on the wire service of bookmaking operations that have made possible organized gangs to control this illegal operation with great financial return to them.

It is the fear of this grand jury that on account of this illegal operation, these gangs will have unlimited resources which eventually will make it possible for them to break down law enforcement progressively and more or less control the operation of our government at the expense of a vast majority of the people in this county.

We recommend that the Governor should use his power to remove any public official from office, when it is brought to his attention that laws are being indiscriminately violated and not enforced.

In our investigation of illegal bookmaking, we had occasion to call before us officials of various communication services. At this point the grand jury publicly expresses its appreciation and gratitude to the Southern Bell Telephone & Telegraph Co. through its general manager, Mr. C. J. Tucker, Jr., who gave unstintingly of his time and efforts and whose cooperation we laud. The Southern Bell Telephone & Telegraph Co. was furnished a list of suspected bookmaking establishments which had Western Union wire service. It must be explained here that Western Union wire service is furnished either by direct wires of their own, or through leased wires of the telephone company. Under Mr. Tucker's direction and instructions, each of these places was visited. It must be borne in mind that under our present State laws, the telephone company is powerless to remove its instruments even though they are fully aware of this illegal use. However, the telephone company did remove 48 instruments, not because of their being used illegally, but because the subscriber had violated some rule or regulation of the telephone company, such as moving the instrument from its original location, or attaching to the instrument unauthorized extensions.

They had to resort to these means because State laws prohibited them from discontinuing services to a known bookmaking establishment.

Unfortunately, our commendation and laudation cannot be extended to the Western Union Telegraph Co. The sum and substance of their testimony led to the conclusion that they had no desire whatsoever to assist the decent, law-abiding citizenry of Dade County in their efforts to clear up a bad mess. The Western Union Telegraph Co. hid behind the provisions of the State law, which clears them of responsibility of the use to which their installations are put. Mr. Nowell, their general manager, when asked a direct question, if he personally witnessed bookmaking activities at an establishment where his service was supplied, would he discontinue such service. His answer was "No." The Western Union Telegraph Co. even refused to remove installations after they had been tampered with.

The Southern Bell Telephone & Telegraph Co. has unjustly and unfairly been criticized in our local press. The Western Union Telegraph Co. has barely been mentioned in this connection.

We commend the Southern Bell Telephone & Telegraph Co. and its manager, Mr. C. J. Tucker, Jr., for the ready cooperation and assistance given this grand jury.

We quote from Mr. Tucker before this grand jury:

"As we have said before, we are not going to install any telephones at any locations for anyone if there is any evidence that the telephones will be used illegally. We are not able to control the uses made of all telephone installations. We feel this responsibility should be placed on the properly elected or appointed law officials. We are willing to cooperate in any way possible and certainly do not condone the practice of any of our telephones being used for illegal purposes. For us to attempt to police the use of all telephones in Dade County would be a tremendous undertaking and an almost impossible task. As a public utility company with limited manpower, we are not equipped for such work and again feel that it is not our responsibility. There is no reason why bookmaking in Dade County and the various municipalities could not be stopped by proper law enforcement."

We believe that it would be advisable for future grand juries to examine carefully into the operation of bolita in this area. In our limited time it was impossible to go into an investigation of this, but from what we have learned it appears that this is a vicious and widespread racket with serious complications, which should be curbed.

This grand jury has made an investigation of the city and county jails. We found the city jail in very good condition and wish to commend Captain Mathis for the good work that he has done.

The plumbing in the city jail was in somewhat bad condition, but we are advised that the city leases these facilities from Dade County, and it is the county's obligation to replace the plumbing needed. We recommend that this be brought to the attention of the county commissioners for consideration. The Dade County jail appears to be in good condition and well operated.

ACKNOWLEDGMENTS

We wish to acknowledge the assistance given this grand jury by Glenn C. Mincer, John Prunty, and Curry Harris.

We also wish to thank Judge Vernon Hawthorne and Judge Stanley Milledge for their cooperation and assistance.

CONCLUSION

The term of this grand jury expiring by statute as of this date, we respectfully submit this report covering our activities, investigations, and recommendations. Respectfully submitted.

DADE COUNTY GRAND JURY, WINTER TERM, 1948,
THOMAS B. HAMILTON, *Foreman*.

O. E. HALL, *Clerk*.

Dated this 10th day of May A. D. 1948.

EXHIBIT No. 129

IN THE SUPREME COURT OF FLORIDA, JANUARY TERM, A. D. 1950, EN BANC

Henry DeLauncy et al., petitioners, v. The City of Miami, respondent

William F. Broome, petitioner, v. The City of Miami, respondent

Nathan Rubin, petitioner v. The City of Miami, respondent

Opinion filed January 17, 1950.

Writs of certiorari from the Circuit Court for Dade County, N. Vernon Hawthorne, judge.

Roberts, Holland & Strickland, for petitioners.

J. W. Watson and John D. Marsh, for respondent.

THOMAS, J.: In the case of *DeLauncy v. the City of Miami* the petitioner challenges the manner of executing the search warrant which we shall presently discuss, while in all three cases the petitioners urge the insufficiency of the affidavits forming bases for the warrants.

We shall devote our comment to the question common to all three petitions for certiorari to review judgments of the circuit court affirming judgments of conviction in the municipal court because our investigation and examination convince us that the affidavits were fatally defective, and having this view about the very foundation of the warrants, there appears no need to determine the propriety of the service of them.

Substance of the affidavits was (1) that the affiants believed and had good reason to believe that in a certain building gambling was being conducted by unknown persons and (2) that the affiants' "reason for this belief was that they had learned from an investigation" that such gambling was being carried on. It is the second statement with which we must find fault.

Section 22 of the Declaration of Rights protects the people against unreasonable searches and seizures and specifically provides that no search warrant shall issue except "upon probable cause, supported by oath or affirmation, particularly describing the place * * * to be searched and the person * * * and things * * * to be seized." Of like effect are the provisions of the Fourth Amendment to the Constitution of the United States.

The sole question for our decision is whether the affidavits from which we have quoted set out sufficient facts, supporting the belief of the affiants, to establish in the mind of the issuing officer probable cause that the laws against gambling were being violated. In other words, can one procuring the writ simply say that he has formed his belief from what he has learned from some sort of investigation by some person or other, the officer not being informed how or by whom the investigation was made, how the affiant came by the intelligence, whether the information he, or, for that matter, his informant, received was hearsay or mere rumor?

We fail to see how the affidavits now under consideration were any stronger than the one condemned by a unanimous decision of this court in *Cooper v. State* (106 Fla. 254, 143 So. 217). Here the affiant placed his belief upon what he had learned from an investigation by someone whose name he did not disclose.

In the cited case the affiant represented that his belief was based "upon information furnished affiant by parties who have knowledge of a violation and whom affiant believes to be truthful and reliable." A comment of the court on that occasion fits as well the situation here: "It will be observed that this language does not state any fact on which such reason or belief is based, but is equivalent only to an allegation 'that affiant has reason to believe and does believe, on information and belief.'"

This holding is not one peculiar to this court, but seems harmonious with decisions of a majority of the courts on the subject. For instance, the Supreme Court of the United States announced in *Grau v. U. S.* (287 U. S. 124, 77 L. Ed. 212), the rule that "a search warrant may issue only upon evidence which would be competent in the trial of the offense before a jury * * * and would lead a man of prudence and caution to believe that the offense has been committed." Obviously the evidence before the officer who issued the warrants in question would not be competent in a trial and would not convince a prudent man that gambling was being conducted in the places to be searched.

Citations of other cases on the point may be found in 47 Am. Jr. 517 and 39 A. L. R. 838.

We are not unaware that guilty persons may go free where convincing evidence against them is held inadmissible because obtained by defective search warrants. But our paramount concern is for the guaranty in the organic law against unreasonable searches. We have spoken on this subject, too, in *Cooper v. State*, supra, where we approved Judge Cobley's comment that "It is oftentimes better that crimes should go unpunished than that citizens should be liable to have their premises invaded * * *."

We conclude that the search warrants were invalid; so the writs of certiorari are granted and the judgments of the circuit court affirming the judgments of the municipal court are quashed.

ADAMS, C. J., TERRELL, CHAPMAN, HOPSON, and ROBERTS, J. J., concur.

EXHIBIT No. 130

DADE COUNTY, FLA.

CRIMINAL INVESTIGATION BUREAU

Statistics for 1949

Prisoners handled	8,301
Fines and forfeitures	\$131,942.56
Convictions	5,777
Prisoners serving time in county jail	368
Time served	months..... 1,527
Prisoners sent to State penitentiary	277
Time served	years..... 1,442
Warrants and capias served	4,693
<hr/>	
Homicide investigations:	
Murder	73
Fatal accidents	53
Rape	70
Suicide	63
Drowning	24
Natural	158
<hr/>	
Total investigations	441
Assaults with deadly weapons, attempted rape, etc.	397
Burglary, robbery, and miscellaneous investigations	1,987
<hr/>	
Total investigations	2,822
Prisoners fingerprinted	3,467
Prisoners photographed	3,467
FBI records received and filed	2,706
Fugitive-wanted notices placed in file	2,110
Name checks requested by other law-enforcement offices	3,401

Statistics for 1949—Continued

Persons fingerprinted and photographed listed according to crime committed :

Gambling	44
Operating a gambling house	494
Lottery	19
Illegal possession of punchboards	10
Murder	32
Manslaughter	23
Rape	20
Illegal possession of slot machine	7
Number of machines seized	20
Burglary	256
Larceny	195
Robbery	76
Forgery	62
Embezzlement	128
Auto theft	172
Sex offenses (not including rape)	49
Prostitution	61
Investigation	844
Violating State narcotic laws	8
Violating State beverage laws	33
Juvenile cases	539
Court cases	90
Driving while intoxicated	273
Reckless driving, etc.	832
Aggravated assault	29
Other assaults	17
Stolen property	15
Weapons	5
Offenses against family	26
Disorderly conduct	44
Drunkenness	95
Vagrancy	35
Fugitives or other holds	84
All other offenses	78

JIMMY SULLIVAN,
Sheriff, Dade County, Fla.

CLAUDE C. HIGH,
Chief, Criminal Bureau of Investigation.

ADDITION TO THE STATISTICS FOR 1949

As a further break down under persons fingerprinted, photographed, and booked, listed according to the crime committed: Illegal possession slot machine, 7.

JIMMY SULLIVAN,
Sheriff, Dade County, Florida.

CLAUDE C. HIGH,
Chief, Criminal Bureau of Investigation.

Statistics for 1948

Prisoners handled	8,903
Fines and forfeitures	\$105,101.88
Prisoners sent to State penitentiary	269
Time served, years	578
Witness subpoenas served	14,137
Warrants and capiases served	4,587

Statistics for 1948—Continued

Homicide investigations:	
Murder.....	55
Fatal accidents.....	36
Rape.....	68
Suicide.....	51
Drowning.....	40
Natural.....	105
Total.....	355
Assaults with deadly weapons, attempted rape.....	361
Burglary, robbery and miscellaneous investigations.....	1,361
Total investigations.....	2,077
Prisoners fingerprinted.....	2,760
Prisoners photographed.....	2,760
FBI records received and filed.....	7,500
Name checks requested by other law-enforcement offices.....	3,400
Persons fingerprinted, photographed, and booked, listed according to crime committed:	
Gambling.....	8
Operating gambling house.....	269
Lottery.....	0
Illegal possession punchboards.....	2
Murder.....	7
Manslaughter.....	15
Rape.....	15
Illegal possession of slot machines.....	6
Number of machines seized.....	10
Burglary.....	211
Larceny.....	273
Robbery.....	107
Forgery.....	35
Embezzlement.....	106
Auto theft.....	65
Sex offenses (not including rape).....	12
Prostitution.....	19
Investigation.....	870
Violating State narcotic laws.....	17
Driving while intoxicated.....	214
Reckless driving.....	318
Aggravated assault.....	100
Other assaults.....	232
Disorderly conduct.....	4
Drunkenness.....	407
Vagrancy.....	110
Fugitive or other holds.....	333
All other offenses.....	5,154

JIMMY SULLIVAN,
Sheriff, Dade County, Fla.

CLAUDE C. HIGH,
Chief, Criminal Bureau of Investigation.

Statistics for 1947

Prisoners handled.....	8,072
Fines and forfeitures.....	\$80,595.12
Prisoners serving time in State penitentiary.....	219
Time served:	
Years.....	738
Life sentences.....	3
Warrants and capias served.....	3,863
Witness subpoenas served.....	10,529

NOTE.—The criminal bureau of investigation was created April 1947. Records for this department begin May 1, 1947. Before this date these cases were handled by the State attorney's office.

Statistics for 1947—Continued

Homicide investigations:	
Murder.....	48
Fatal accidents.....	21
Rape.....	23
Suicide.....	7
Drowning.....	26
Natural.....	22
Total.....	147
Assaults with deadly weapons, attempted rape.....	83
Burglary, robbery, and miscellaneous investigations.....	664
Total investigations.....	894
Prisoners fingerprinted.....	2,883
Prisoners photographed.....	2,883
FBI records received and filed.....	5,766
Criminal registrations.....	200
Persons fingerprinted, photographed, and booked listed according to crime committed:	
Gambling.....	7
Operating gambling house.....	142
Murder.....	12
Manslaughter.....	24
Rape.....	9
Illegal possession of slot machines.....	5
Number of machines seized.....	9
Larceny.....	240
Robbery.....	97
Forgery.....	19
Embezzlement.....	41
Auto theft.....	59
Sex offenses (not including rape).....	11
Prostitution.....	15
Investigation.....	603
Violating State narcotic laws.....	8
Driving while intoxicated.....	180
Reckless driving.....	263
Aggravated assault.....	44
Drunkenness.....	360
Vagrancy.....	60
Fugitive or other holds.....	640
All other offenses.....	5,236

JIMMY SULLIVAN,
Sheriff, Duval County, Fla.

CLAUDE C. HIGH,
Chief, Criminal Bureau of Investigation.

Statistics for 1946

Prisoners handled.....	7,619
Fines and forfeitures.....	\$88,370
Prisoners serving time in State penitentiary.....	113
Time served:	
Years.....	361
Life sentences.....	4
Warrants and capias served.....	3,191
Witness subpoenas served.....	10,010
NOTE.—Homicide investigations handled by State attorney's office.	
Prisoners fingerprinted.....	2,767
Prisoners photographed.....	2,767
FBI records received and filed.....	5,534

Statistics for 1946—Continued

Persons fingerprinted, photographed, and booked, listed according to crime committed:

Gambling	28
Operating gambling house	298
Operating lottery	4
Illegal possession of punchboards	1
Illegal possession of slot machines	11
Number of machines seized	20
Murder	31
Manslaughter	24
Rape	16
Sex offense (not including rape)	40
Forgery	28
Auto theft	81
Prostitution	5
Investigation	360
Violation of State narcotic laws	9
Drunkenness	695
Vagrancy	119
Fugitive or other holds	492
Driving while intoxicated	240
Break and enter	235
Assault and battery	194
Larceny	231
Embezzlement	55
Reckless driving	267
Aggravated assault	34
All other offenses	4, 122

JIMMY SULLIVAN,
Sheriff, Dade County, Fla.

CLAUDE C. HIGH,
Chief, Criminal Bureau of Investigation.

Statistics for 1945

Prisoners handled	6, 574
Fines and forfeitures	\$43, 825. 39
Convictions	1, 224
Prisoners serving time in county jail	288
Time served	months 1, 153
Prisoners serving time in State penitentiary	122
Time served:	
Years	303
Life sentences	4
Warrants and capias served	2, 142
Witness subpoenas served	6, 959
NOTE.—Homicide investigations handled by State attorney's office.	
Prisoners fingerprinted	3, 208
Prisoners photographed	3, 208
Persons fingerprinted, photographed, and booked, listed according to crime committed:	
Gambling	37
Operating gambling house	89
Operating lottery	2
Illegal possession of slot machines	17
Number of machines seized	30
Murder	32
Manslaughter	22
Rape	14
Sex offense (not including rape)	15
Forgery	18
Auto theft	56
Prostitution	10
Investigation	310

Statistics for 1945—Continued

Persons fingerprinted, photographed, etc.—Continued

Violation of State narcotic laws.....	9
Drunkenness	339
Vagrancy	114
Fugitive or other holds.....	975
Driving while intoxicated.....	113
Break and enter.....	165
Assault and battery.....	179
Larceny.....	209
Embezzlement	44
All other offenses.....	3, 805

JIMMY SULLIVAN,
Sheriff, Dade County, Fla.

CLAUDE C. HIGH,
Chief, Criminal Bureau of Investigation.

EXHIBIT No. 131

*Report of the activities of the sheriff's office criminal investigation bureau from
Feb. 1 through Mar. 15, 1950*

Homicide investigations.....	39
Assaults with deadly weapons, attempted rape, etc.....	47
Burglary, robbery, and miscellaneous investigations.....	308
Total investigations.....	394
Prisoners prosecuted by criminal investigation bureau.....	112
Capiases and warrants handled.....	1, 066
Informations filed.....	144
Prisoners sent to Raiford.....	48
Prisoners sent to Dade County stockade.....	13
Fines and forfeitures.....	\$25, 768. 51
Gambling search warrants taken in January, February, and March..	48

BREAKDOWN OF INVESTIGATION MAN-HOURS

	December	January	February	March
Investigation man-hours.....	3, 564	3, 861	3, 696	2, 002
Man-hours on gambling.....	690	713	686	352

COMPARISON OF POPULATION WITH GAMBLING ARRESTS

Estimated population	Percent gam- bling arrests	Percent of population of Dade County
Miami, 200,000.....	43. 5	50
Miami Beach, 60,000.....	18. 5	15
Hialeah, 20,000.....	10	5
Unincorporated area and small towns, 120,000.....	28	30

*Report of the activities of the sheriff's office identification bureau from Feb. 1,
1950, through Mar. 15, 1950*

Prisoners fingerprinted.....	353
Prisoners photographed.....	353
FBI records received and filed.....	1, 911
Fugitive wanted notices placed in file.....	78
Name checks requested by other law enforcement offices.....	552

Report of the activities of the sheriff's office identification bureau from Feb. 1, 1950, through Mar. 15, 1950—Continued

Persons fingerprinted and photographed listed according to crime committed:

Murder	6
Manslaughter	1
Robbery	6
Aggravated assault	14
Other assaults	18
Burglary	36
Larceny	29
Auto theft	9
Embezzlement and fraud	42
Stolen property	6
Forgery and counterfeiting	4
Rape	5
Sex offenses	5
Weapons	4
Offense against family and children	7
Liquor laws	3
Driving while intoxicated	29
Traffic and motor-vehicle laws	250
Disorderly conduct	25
Drunkenness	48
Vagrancy	7
Gambling	2
Operating gambling house	63
Court cases	289
Delinquent children	81
Fugitive or other holds	72
Investigation	100
All other offenses	30

EXHIBIT No. 132

FEBRUARY 6, 1950.

HON. JIMMY SULLIVAN,
*Sheriff of Dade County,
 Dade County Courthouse,
 Miami, Fla.*

DEAR SIR: Following is a report of the activities of your criminal bureau of investigation for January 1950:

Homicide investigations	35
Assaults with deadly weapons, attempted rape investigations	40
Burglary, robbery, and miscellaneous investigations	184
Total investigations	259
Prisoners prosecuted by criminal investigation bureau	129
Informations filed	152
Prisoners sent to Raiford	17
Prisoners sent to Dade County stockade	5
Fines and forfeitures	\$17, 279. 13

Personnel of the bureau now consists of nine investigators, each man being assigned to a certain section of the county and the responsibility placed upon his shoulders for the solving of crime in his particular territory.

There are two homicide investigators that handle all capital cases together with criminal assaults, molestations and assaults against the person with deadly weapons. The bureau also has two reporters and a complaint desk man.

The office has the following equipment for modern crime detection and preparation of cases for prosecution:

One modern Schaeffer Lie Detector.

One mine and metal detector.

One complete moulage kit for the rebuilding of mangled faces and for the preservation of features for further identification.

One ultraviolet ray light.

Nine cameras.
 Twelve fingerprint kits assigned to individual investigators and road patrol cars.
 One portable wire recorder.
 One permanently installed disk recorder.
 One blood detector kit.
 One semen detector kit.
 One restoration kit for the restoration of erased writing.
 One number restoring kit for the restoration of deleted numbers on firearms and automobile engines.
 One one-way observation mirror used in the observation and identification of prisoners without their knowledge.

Yours truly,

CLAUDE C. HIGH,
Chief Criminal Investigator.

FEBRUARY 6, 1950.

HON. JIMMY SULLIVAN,
Sheriff of Dade County,
Dade County Courthouse,
Miami, Fla.

DEAR SIR: The following is a report of the activities of your Identification Bureau for January 1950:

Prisoners fingerprinted.....	296
Prisoners photographed.....	296
FBI records received and filed.....	383
Fugitive-wanted notices placed in file.....	156
Name checks requested by other law-enforcement offices.....	321

Persons fingerprinted and photographed, listed according to crime committed:

Gambling.....	12
Operating a gambling house.....	31
Lottery.....	12
Illegal possession punchboards.....	0
Murder.....	4
Manslaughter.....	2
Rape.....	1
Burglary.....	17
Larceny.....	21
Robbery.....	8
Forgery.....	5
Embezzlement.....	25
Auto theft.....	10
Sex offenses (not including rape).....	4
Prostitution.....	0
Investigation.....	75
Violation State narcotics laws.....	1
Violation State beverage laws.....	9
Juvenile cases.....	46
Court cases.....	127
Driving while intoxicated.....	22
Reckless driving, etc.....	177
Aggravated assault.....	9
Other assault.....	14
Stolen property.....	3
Weapons.....	7
Offense against family.....	3
Disorderly conduct.....	15
Drunkennes.....	33
Vagrancy.....	7
Fugitive or other holds.....	44
All other offenses.....	25

Yours truly,

CLAUDE C. HIGH,
Chief Criminal Investigator.

EXHIBIT No. 133

DADE COUNTY, FLORIDA

CRIMINAL INVESTIGATION BUREAU

Statistics for 1944

Prisoners handled.....	4,510
Fines and forfeitures.....	\$40,840.72
Prisoners serving time in State penitentiary.....	83
Time served:	
Years	515
Life sentence	1
Warrants and capias served.....	(¹)
Witness subpoenas served.....	(¹)
Homicide investigations handled by State's attorney's office:	
Prisoners fingerprinted.....	2,293
Prisoners photographed.....	2,293
Prisoners fingerprinted, photographed, and booked, listed according to crime committed:	
Gambling.....	26
Operating gambling house.....	177
Operating lottery.....	15
Illegal possession of slot machine.....	14
Illegal possession of lottery tickets.....	32
Murder.....	15
Manslaughter.....	7
Rape.....	13
Sex offense (not including rape).....	10
Forgery.....	14
Auto theft.....	63
Prostitution.....	2
Investigation.....	285
Violation of State narcotic laws.....	13
Drunkenness.....	163
Vagrancy.....	53
Fugitive or other holds.....	550
Driving while intoxicated.....	101
Break and enter.....	144
Reckless driving.....	120
Assault and battery.....	84
Aggravated assault.....	69
Larceny.....	188
Embezzlement.....	44
Robbery.....	34

¹ Not available. Books of the previous administration containing information necessary to compile the figures marked "Not available" have not been located up to the present time. The search is being continued, and when books are found a supplementary report will be made.

JIMMY SULLIVAN,
Sheriff, Dade County, Fla.

CLAUDE C. HIGH,
Chief, Criminal Bureau of Investigation.

Statistics for 1943

Prisoners handled.....	4,035
Fines and forfeitures.....	\$30,000.74
Prisoners serving time in State penitentiary.....	(¹)
Time served.....	(¹)
Warrants and capias served.....	(¹)
Witness subpoenas served.....	(¹)
Homicide investigations handled by State's attorney's office:	
Prisoners fingerprinted.....	2,311
Prisoners photographed.....	2,311

Statistics for 1943—Continued

Persons fingerprinted, photographed, and booked, listed according to crime committed:

Gambling-----	20
Operating gambling house-----	47
Illegal possession of lottery tickets-----	3
Illegal possession of slot machine-----	16
Murder-----	10
Manslaughter-----	9
Rape-----	9
Sex offense (not including rape)-----	1
Prostitution-----	7
Forgery-----	5
Auto theft-----	48
Investigation-----	652
Violation of State narcotic laws-----	6
Drunkenness-----	151
Vagrancy-----	86
Fugitive or other holds-----	291
Driving while intoxicated-----	47
Breaking and entering-----	147
Reckless driving-----	91
Assault and battery-----	71
Aggravated assault-----	45
Larceny-----	134
Embezzlement-----	45
Robbery-----	34
All other offenses-----	2,060

¹ NOTE.—Books of the previous administration containing information necessary to compile the figures marked (1) have not been located up to the present time. The search is being continued, and when books are found a supplementary report will be made.

JIMMY SULLIVAN,
Sheriff, Dade County, Fla.

CLAUDE C. HIGH,
Chief, Criminal Bureau of Investigation.

EXHIBIT No. 135

JULY 12, 1950.

Memorandum to: Jimmy Sullivan, Sheriff.

(Attention: Claude C. High, Chief, Criminal Investigation Department.)

Reference to: The following is a partial listing of places that have been raided by this department where three or more phones have been confiscated. This also includes other apparatus used in bookmaking establishments.

March 5, 1949.—Arlington Hotel, 455 Ocean Drive, Miami Beach, Fla.: six telephones and wire service equipment.

March 5, 1949.—Louis Kaufman, North Miami: five telephones.

March 20, 1949.—Aviation Building, Northwest Twenty-seventh Avenue and Thirty-third Street: seven telephones.

September 15, 1949.—6505 Northwest Eighteenth Avenue: 6 telephones (used), 15 telephones (new, in boxes), 1 Army field telephone set, 2 head sets.

December 8, 1949.—139 Lindsay Court, Hialeah, Fla.: eight telephones, radio equipment.

January 4, 1950.—2194 South Red Road: three telephones and equipment.

January 13, 1950.—2360 Northwest Eighty-first: five telephones, equipment.

January 19, 1950.—207 West Flagler: four telephones, equipment.

February 7, 1950.—2180 Northwest Seventh Avenue: four telephones, equipment.

March 8, 1950.—Versailles Hotel, 3425 Collins Avenue: three telephones. Clay Hotel, 1438 Washington Avenue: three telephones. Good Hotel, 4301 Collins Avenue, three telephones. Sea Isle Hotel, 3001 Collins Avenue, three telephones. Monte Carlo Hotel, 6551 Collins Avenue: three telephones. Martinique Hotel, 6423 Collins Avenue: four telephones. Delmonico Hotel, 6393 Collins Avenue, three telephones.

April 6, 1950.—Tower Radio Shop, 718 Southwest Fifteenth Avenue: five telephones and equipment.

April 10, 1950.—Suburban Club Apartments, 1539 Northeast One Hundred and Twenty-first Street: 1 6-position (12-line rotary) switchboard with 20 extra phones confiscated; other equipment.

April 14, 1950.—Greentree Hotel, 110 Northeast Second Avenue: six phones and other equipment.

April 25, 1950.—Betsy Ross Hotel, 1044 Ocean Drive, Miami Beach: three telephones. 210 Twenty-first, Miami Beach: three telephones.

Total phones: 137 phones confiscated.

EXHIBIT No. 136

IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT OF FLORIDA, IN AND FOR DADE COUNTY. IN CHANCERY

(No. —)

Jimmy Sullivan, as Sheriff of Dade County, Florida, Plaintiff

v.

Stanley Milledge, as one of the Judges of the Circuit Court of the 11th Judicial Circuit in and for Dade County, Florida, Defendant

BILL FOR DECLARATORY DECREE

Now comes the Plaintiff, JIMMY SULLIVAN, as Sheriff of Dade County, Florida, and exhibits this his Bill of Complaint against the Defendant STANLEY MILLEDGE, as one of the Judges of the Circuit Court of the Eleventh Judicial Circuit in and for Dade County, Florida, and thereupon complaining, says

1. That this is an action for Declaratory Decree under the provision of Chapter 87, Florida Statutes Annotated, seeking a judicial determination and declaration of the rights, status, and legal relations of the respective parties hereto as affected by a statute, to wit: Chapter 47.12, F. S. A.

2. That Decree of this Honorable Court is sought declaring the rights, status, and legal relations of the Plaintiff and Defendant, respectively, and a judicial construction of, in light of the matters and things hereinafter alleged, Chapter 47.12 F. S. A. under which the Defendant has assumed to order and direct certain acts, doings and things which, in the Plaintiff's opinion, violate the true meaning and intent of the said statute, and through and by means of which improvident and illegal acts and conduct, so precipitated by the said Defendant's orders and directions aforesaid, certain official rights, powers, and prerogatives of the Plaintiff and other regularly elected, qualified, and bonded public officials of Dade County, Florida, are judicially violated and abused: and by and through which improvident and unlawful orders and directions of the said Defendant, acts of violence, disturbances of peace, affrays and possible bloodshed are encouraged, fomented, and precipitated, all contrary to the laws and statutes of the State of Florida, in such case made and provided and against the peace and welfare of the citizens of Dade County, Florida, as hereinafter more particularly alleged.

2. That the Plaintiff is the regularly elected, duly qualified and bonded Sheriff of Dade County, Florida, labors under no physical or mental disability, has not absented himself from the County, and in all matters and things has faithfully served and executed the process of all Dade County Courts, including those issued from time to time by the Defendant, as required by law; that Plaintiff has duly posted and filed, as required by law, a \$25,000 surety bond, has subscribed to the required oath and is otherwise, in all matters and things, ready able, and willing and qualified to serve the Defendant and all other Courts and Judges in Dade County, Florida, on a twenty-four hour basis, as he and his office have so served the said Judges and Courts for more than four years next prior to the filing of this Bill of Complaint.

3. That Plaintiff, as Sheriff aforesaid, is a constitutional officer in that said office is duly made and provided for in Article 5, Section 15, and Article 8, Section 6, of the Constitution of the State of Florida; that the Defendant holds his office as Circuit Judge aforesaid under the Constitution of the State of Florida.

That Plaintiff's office pertains and belongs to the Executive Branch of State Government, whereas the Defendant's judicial office pertains and belongs to the Judicial Branch of State Government.

4. That Chapter 26.49, F. S. A. provides "The Sheriff of the County shall be the executive officer of the Circuit Court of the County." That by Chapters 34.07, 34.08, 36.11, and 32.26 Plaintiff is likewise made the executive officer of the County Court, the County Judge's Court and the Criminal Court of Record, respectively; that by other statutes Plaintiff is made the executive officer of the Court of Crimes and Civil Court of Records and has executive duties to perform in connection with the Juvenile Court and Justice of Peace Court.

That by law Plaintiff likewise is the custodian and keeper of the County Jail charged with the duty of receiving, segregating, feeding, and maintaining prisoners of all ages, sexes, colors, who are delivered into his hands by competent arresting authority for safekeeping pending trial or service of misdemeanor sentence of confinement lawfully imposed or pending delivery to the State Penitentiary for service of sentence of confinement for felony conviction.

5. Chapter 30.15, F. S. A. relating to the duties of Sheriffs in relation to execution of Court processes provides "Each Sheriff shall, in person or by deputy, execute all processes of the Supreme Court, Circuit Court, County Court, and Criminal Court, and Board of County Commissioners to be executed in said Courts, and such process of Justice of the Peace Courts as may come to his hands to be executed." Chapter 30.19 F. S. A. provides a summary penalty for failure to execute process and Chapter 30.20 provides a \$500 fine for every false return on process. That Chapter 47.12, F. S. A., which is the Statute relied upon by the Defendant as authority for his judicial acts hereinafter set forth and which Plaintiff alleges the Defendant has misconstrued, misinterpreted, and misapplied, provides as follows:

"47.12 *Process; by whom served.*—All process, except that issuing from a justice of the peace court, shall be served by the sheriff or any constable of the county in the district in which it is to be served. Process of a justice of the peace court may be served by a sheriff of the county or by a constable. A justice of the peace or a constable, in the respective counties, may serve all process in cases where the sheriff is interested, and in case of necessity the judge of the circuit court may appoint an elisor to act instead of the sheriff.

"All writs or process issued upon the institution of a suit which may be begun in a county where the defendant does not reside, and all writs, process, or notices requiring service upon a defendant not in the county where the suit is pending, may be served by the sheriff of the county or the constable of the justice district in which the defendant is to be found."

The foregoing statute is found in the civil practice and procedure section of F. S. A. and has no relation to criminal law or procedure. Said Chapter 47.12 immediately follows statutes which deal solely with issuance and service of civil processes and matters pertinent to form of return of civil process. In fact, Chapter 47 is entitled "Commencement of Suits at Law and Process," and there is no reference within the chapter, as above alleged, to criminal process which by its very nature involves use of force and, at times, arms, to detain and jail persons accused or sentenced in criminal matters.

Chapter 901, F. S. A. found in the body of Florida Criminal procedure statutes deals with arrests and provides for the form and contents of warrants and the issuance and execution thereof in many respects.

Said Chapter 901, F. S. A., embraces the following among other provisions of statutory law, viz:

"901.04 *Direction and execution of warrant.*—The Warrant shall be directed to all and singular the sheriffs and constables of the State of Florida. It shall be executed only by a sheriff or constable of the county in which the arrest is made, unless the arrest is made in hot pursuit, in which event it may be executed by any sheriff or constable who is advised of the existence of said warrant. An arrest may be made on any day and at any time of the day or night."

"901.15 *When arrest by officer without warrant is lawful.*—A peace officer may without warrant arrest a person:

"(1) When the person to be arrested has committed a felony or misdemeanor in his presence. In the case of such arrest for a misdemeanor, the arrest shall be made immediately or on fresh pursuit.

"(2) When a felony has in fact been committed, and he has reasonable ground to believe that the person to be arrested has committed it.

"(3) When he has reasonable ground to believe that a felony has been or is being committed and reasonable ground to believe that the person to be arrested has committed or is committing it.

"(4) When a warrant has been issued charging any criminal offense and has been placed in the hands of any peace officer for execution."

"901.19 *Right of officer to break into building.*—(1) An officer, in order to make an arrest either by virtue of a warrant, or when authorized to make such arrest for a felony without a warrant, may break open a door or window of any building in which the person to be arrested is or is reasonably believed to be, if he is refused admittance after he has announced his authority and purpose.

"(2) Whenever an officer has entered a building in accordance with the provisions herein, he may break open a door or window of the building, if detained therein, when necessary for the purpose of liberating himself.

"(3) The sheriff, deputy sheriff, city marshal, constable or police officer, when any of the implements, devices, or apparatus commonly used for gambling purposes are found in any house, room, booth, or other place used for the purpose of gambling, shall seize the same and hold them subject to the discretion of the court, to be used as evidence and afterwards the same shall be publicly destroyed in the presence of witnesses under order of the court to that effect."

Plaintiff alleges that nowhere in the above or anywhere within the statutes of Florida relating to criminal procedure or criminal law is there any mention of, or reference to, any type or variety of officer other than sheriff, deputy sheriff, city marshal, constable, or municipal police officer.

6. Plaintiff says that heretofore on, to wit, April 4, 1949, the Defendant pretending and assuming to act under Chapter 47.12, F. S. A. did receive from one Donald Bauer, a professional and private detective of Miami, Florida, a document entitled "Affidavit for Search Warrant" which affidavit was styled in alleged proceeding between State of Florida as the Plaintiff, and Surfside Hotel, located at 2457 Collins Avenue, Miami Beach, Florida, as Defendant, in which affidavit the said Donald Bauer, private detective aforesaid, falsely, basely, maliciously, and fraudulently stated, in part, as follows:

"Affiant further deposes and says that it is necessary for the court to appoint an elisor to serve the search warrant hereby applied for, if issued, for the reason as will appear from the evidence tendered herewith, should said warrant be issued to either the Sheriff of this County or the Justice of the Peace or Constable of the district in which said premises are situated, informance of said issuance and protective execution thereof would reach the owners or operators of said gambling premises prior to the execution of said warrant, thereby making it possible for the removal of the above described gambling equipment before such execution were effected."

all of which will more fully appear by reference to photostatic copy of Affidavit for Search Warrant hereto attached as Plaintiff's Exhibit A and made a part hereof as fully as if herein set forth in extenso.

That upon presentation of the foregoing affidavit the Defendant Judge signed a previously prepared search warrant appointing one Floyd F. Miner, the alleged head of a local firm of private detectives or special investigators, and a benchman and associate of the afore-mentioned Donald L. Bauer, to be and act "as elisor of this court," and that in and by said search warrant the defendant stated that "whereas evidence has been adduced before me that an elisor is necessary to serve this warrant and I find that an elisor is necessary in accordance with Chapter 47.12, F. S. A. for the service of this warrant"; all of which will more fully appear by reference to a photostatic copy of the alleged search warrant aforesaid hereto attached as Plaintiff's Exhibit B and made a part hereof as fully as if herein set forth in extenso.

7. That upon receiving the search warrant aforesaid from the Defendant, the said Floyd F. Miner, the alleged "elisor," together with the said Donald L. Bauer and other benchmen and associates in the same private detective and investigating firm, named Ray Reaney, J. B. Miller, and Clyde Appleton, each of aforementioned individuals being armed with a pistol in violation of law, proceeded in concert to the premises of Surfside Hotel, above set forth, and allegedly searched the premises and executed the said search warrant in the manner and to the extent set forth in the "Return of service" signed by the aforesaid Floyd F. Miner, dated April 5, 1949, a photostatic copy of which is hereto attached as Plaintiff's Exhibit C and made a part hereof as fully as if set forth in extenso.

8. That in truth and in fact the improvident and indiscreet act of the Defendant Judge and the actions had and taken thereunder by the aforesaid armed private detectives nearly resulted in tragedy and bloodshed in that the said

"elisor" and said other private detectives, during their raiding of said premises and seizing of property therein, drew their revolvers and threateningly pointed same at divers of the occupants of the raided premises in an effort to show, assert, and prove their authority when the existence of their raiding, property-seizing and arresting power and authority was seriously questioned by divers occupants of said premises who, for a time, refused to believe in the existence of any such officer or authority as an "elisor," and it was only when police officers of the City of Miami Beach and an attorney representing the occupants of the premises appeared on the scene that order was restored and the occupants agreed to submit to arrest and detention under the aforesaid search warrant.

After the alleged arrest of some fourteen men at said premises by the Defendant's "elisor," eleven of said occupants were booked at the County Jail on charges of operation of a gambling house. According to newspaper reports one man "disappeared," one man escaped detention at Miami Beach City Jail before being brought to the County Jail, and a third was released by the "elisor" "because of a heart ailment."

9. Following the aforesaid raid the Defendant was quoted as stating that he had acted according to his concept of duty as a Circuit Judge and the Defendant's "elisor" stated he could clean "this whole thing up if they will leave me alone," for the untoward, threatening, and almost disastrous happenings at and during said armed raid of said private detectives, Plaintiff respectfully refers the Court to divers newspaper accounts published in the Miami press and written from eyewitness accounts of the said raid and interviews of principals therewith connected, which said clippings are hereto attached in order of publication, as Plaintiff's Exhibit D, and by reference made a part of this Petition for the purpose of revealing to the Court that the injudicious and indiscreet conduct of the Defendant herein and the armed blunderings of his "elisor" and the elisor's" private detective associates constituted a "near miss" of serious and tragic consequences, and to demonstrate that any repetition may possibly and will probably incite disturbances and breaches of peace not unlike those which have occurred in past history in cases where self-appointed vigilantes or white-robed tyrants have armed themselves and in untrained, undemocratic, and illegal manner have undertaken to take the law into their own hands, circumvent constituted authority, and order and deal out their own brand of justice to citizens of the community.

10. Plaintiff says that as regards the premises described in the affidavit and search warrant above set forth, he has never visited therein nor trod thereon; that he does not know the owner or any agent of the owner or any lessee, if any, or any agent of any lessee, nor did he know, nor had he ever been advised by any person whomsoever, that bookmaking was being operated within said premises; that had he so known or been apprised or advised of any such fact or circumstance, he would have taken immediate action to effect raids and arrests to the extent necessary to eliminate further violations of the gambling laws and bring the offenders to proper justice. In this regard, Plaintiff has noted from newspaper publications aforesaid that according to the said private detectives, one of whom lived in said hotel property for several days for the purpose of gathering evidence, alleged gambling operations were carried on with such quietude and secretness that not even hotel bellboys were aware of its existence.

Plaintiff further says that knowing none of the principals involved in, or connected with, said Surfside Hotel, or any of the persons therein arrested, that the process issued by the Defendant could not possibly have served as a "case where the Sheriff is interested" within the meaning of the statutes, notwithstanding the fraudulent, false, and infamous allegations of the Bauer affidavit for search warrant, as above recited.

Furthermore, Plaintiff says that even though the Defendant Judge considered him "interested" for any reason whatsoever, the process of the Court, by law, should have been delivered either to the Justice of the Peace or Constable for service. Affidavits are hereto attached as Plaintiff's Exhibits E and F, respectively, of the Honorable Kenneth Oka, Justice of the Peace, and John A. Whalen, as Constable of the Fifth Justice of the Peace District, showing that each of said regularly elected, bonded and acting constitutional officers was present in said district and stood ready, able, and willing to serve the process of Defendant Judge so issued against said Surfside Hotel premises; that neither on the day of said issuance nor at any other time was either said Justice of Peace or Constable requested to serve any search warrant, writ, or any other process,

and that had any Circuit Judge requested such service of process, both said officers stood ready and willing to effect prompt, efficient, and adequate service.

That in light of the above facts there was no "case of necessity" within the statutory meaning and language for appointment of an elisor, even granting for discussion alone that an elisor may properly be appointed to serve criminal process. In this regard, there has never been an instance in which the Plaintiff, now in his second term as Sheriff of Dade County, or any Deputy Sheriff in the Plaintiff's office, has ever failed, neglected, or refused properly and efficiently to serve writs, processes, and directions of the Defendant Judge, nor has there ever been an instance or case in which the Plaintiff or any one in his employ, has ever given "informance or issuance and prospective execution" of any search warrant or other criminal or arresting process of this Court for the purpose of warning or notifying owners or operators of gambling premises; and Plaintiff brands as a vicious and reprehensible lie the statement to the above effect so made by the aforesaid Bauer. At no time or place or under any circumstance has the said Bauer or any of his henchmen or associates ever had any contact or association with the Plaintiff or Deputy Sheriffs in his employ which would give him or them legitimate, actual, or reasonable grounds to swear upon oath that informance to Defendants would be made by this Plaintiff in the event he or his deputies were called upon to serve only one of many hundreds of similar search warrants which the Defendant has handled properly and efficiently during his tenure as Sheriff aforesaid.

Plaintiff further alleges that neither the said Bauer nor any of his henchmen or associates had any legitimate, actual, or reasonable grounds to believe that both the Justice of Peace and Constable aforesaid would, if requested to serve search warrant process "give informance" to the Defendants and make possible their avoidance of arrest and removal of property, in that according to Plaintiff's information and belief, neither the said Bauer nor any one of his henchmen or associates has ever had any business relations of any type or variety with the said Justice of Peace or Constable—both constitutional, bonded and elected officers of this County—which would give reasonable, actual, and legitimate reason for the making of the aforesaid base and infamous affidavit against this Plaintiff and said Justice of Peace and Constable.

Plaintiff further says that the granting and issuance of the alleged search warrant by Defendant Judge, upon the scurrilous and reprehensible affidavit aforesaid, without affording Plaintiff an opportunity to be heard and without affording the aforesaid Justice of Peace and Constable an opportunity to be heard, but proceedings in an ex parte and unnoticed, one-sided hearing in the manner and to the extent above set forth, had the effect of adjudicating the truth of the said Bauer's false affidavit and placing the Defendant Judge's stamp of approval and agreement thereon, amounting to a prejudging, without hearing or trial of the guilt of Plaintiff and the other constitutional officers aforesaid of malfeasance in their respective offices, in matters which they had no interest and as to which neither was in any sense disqualified by interest or otherwise from fully and thoroughly performing his statutory office in respect of the service of the process of the said Defendant Judge.

Wherefore, Plaintiff respectfully prays as follows:

(a) That the Court will take jurisdiction of this cause, the parties hereto and subject matters hereof;

(b) That upon the coming in of Defendant's answer hereto the Court will proceed to construe, interpret, and adjudicate the true meaning, intent and purpose of Chapter 417.12, F. S. A., in respect of the rights, privileges, interests and official functions of the Plaintiff and Defendant in their respective official capacities, as regards the said statute, and the practical workings thereof;

(c) That the Court, in said Declaratory Decree and Judgment, will find and declare that said Statute relates only to civil process and not to criminal process.

(d) That the Court will further find and declare that under the facts and circumstances in this case there existed no necessity, in a statutory sense, warranting the issuance by Defendant Judge of a search warrant predicated upon judicial fiat that an elisor was "necessary" for the service of said warrant; that in and by said Declaratory Decree and Judgment the Court will further find that even though the Defendant Judge or Judge before whom similar application would be made is of the opinion that Plaintiff "is interested" in a case, in the statutory sense, that before an elisor may be appointed it must be further shown beyond reasonable doubt that the other two remaining constitutional officers mentioned in the statute, viz. Justice of Peace and Constable, were likewise interested or otherwise disqualified from performing their official functions as a

condition precedent to the appointment of such elisor, and hence that the meaning of the statute is that an elisor should never be appointed where either the Plaintiff or the other two constitutional officers herein named are available and stand ready and willing to serve the Court's process in such matters.

(e) That in and by said Declaratory Decree the Court will further find that the bare statement of a professionally employed, self-interested, and prejudicial private detective is not sufficient to make a case of "necessity" where no necessity in fact actually exists and that in such matter the proofs produced before the Court should clearly and convincingly establish the interest or other disqualifications of the Sheriff, the Justice of Peace, and the Constable before each of those three constitutional officers should suffer the indignity and injustice of summary adjudication of official wrongdoing by and through means of ex parte issuance by the Defendant Judge of a search warrant which stamps as approved and true the base, insidious, and false statements so produced before the Court by private investigator Banier aforesaid.

(f) That the Court in said Declaratory Decree will further find and declare upon the seriousness of dispatching civilians to serve criminal processes, effect arrests, and seize properties where no real necessity therefore exists; and that the Court will find that except in cases of actual dire and extreme necessity, properly elected, qualified, bonded, and acting constitutional officers should be required to serve such process.

(g) That the Court in said Declaratory Decree will further find that even in a proper case where necessity may exist for the appointment of an elisor such officer should be a disinterested and proper person of the community and not a professionally employed, gun-carrying private detective with appetite and inclination sharpened and whetted towards the execution of a selfish professional mission, looking toward the collection of a fee and compensation from a private source of employment.

(h) That the Court in and by said Declaratory Decree will find that in cases where an elisor is appointed he is not privileged to carry arms or weapons, and that, if necessary in the execution of the Court's processes, in the opinion of the Court (not the elisor), he should request and summon the assistance of the Sheriff, a Deputy Sheriff, policeman, city marshal, or constable, all of whom are traditional and well-known officers of the law, for the purpose of avoiding a physical affray, disturbance of peace, and possible violence and bloodshed at and upon the attempt by the elisor so appointed to serve his process and to assist the elisor in his necessarily primary and fundamental task of convincing law breakers that he is a real and actual and bona fide officer of the law for the purpose of said process service.

(i) That the Court in and by said Declaratory Decree will determine all aspects of the rights and interests of the Plaintiff and Defendant herein arising under the conflicting interpretations of said Chapter 47.12 F. S. A., and in so doing define the "case of necessity" in the statutory sense which must be made out as a condition precedent to the appointment of an elisor, in criminal or civil matters, and what facts or circumstances must be proved to make the "case of necessity" so provided by statute.

JIMMY SULLIVAN,
As Sheriff of Dade County, Fla.
HUNT & SALLEY,
By _____,
Attorneys for Plaintiff.

IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT IN AND FOR DADE
COUNTY, FLORIDA

(No. 123813-A)

Jimmy Sullivan, as Sheriff of Dade County, Florida, Plaintiff,

v.

*Stanley Milledge, as one of the Judges of the Circuit Court of the 11th Judicial
Circuit in and for Dade County, Florida, Defendant.*

OPINION AND ORDER

HOLT, J.: Application was made to the defendant for the issuance of a search warrant of certain premises located in Miami Beach, Florida, and the appoint-

ment of an elisor to serve said search warrant under Section 47.12 F. S. A. which reads as follows:

"47.12 Process; by whom served.—All process, except that issuing from a justice of the peace court, shall be served by the sheriff or any constable of the county in the district in which it is to be served. Process of a justice of the peace court may be served by a sheriff of the county or by a constable. A justice of the peace or a constable, in the respective counties, may serve all process in cases where the sheriff is interested, and in case of necessity the judge of the circuit court may appoint an elisor to act instead of the sheriff.

"All writs of process issued upon the institution of a suit which may be begun in a county where the defendant does not reside, and all writs, process, or notices requiring service upon a defendant not in the county where the suit is pending, may be served by the sheriff of the county or the constable of the justice district in which the defendant is to be found."

This was done. A raid was thereafter made by the court appointed and armed elisor, and several persons found there alleged to have been unlawfully booking bets on horse races, arrested, taken into custody and charged with violation of the criminal laws of this state. (The court takes judicial cognizance of the fact that thereafter a civil suit was instituted in this court by the owner of the building so raided, wherein and whereby he sought to revoke the lease of said premises on the ground that it had been used for gambling activities and thereby violated one of the terms of said lease and thus forfeited the tenant's right to possession thereof. This suit is still pending.)

At the time of the appointment of the elisor the applicant therefor presented an affidavit, which in substance stated that if the Sheriff or his deputies, or the Justice of the Peace, or Constable of the Justice of the Peace's District in Miami Beach were given the warrant to serve, knowledge of the same would reach the operators of the premises before any arrest could be made.

Plaintiff by his bill seeks to have his authority with reference to the cited statute clarified and ascertained by a declaratory judgment of this court.

Defendant has asked that the bill be dismissed and it is upon this motion argument was had by all interested parties.

There is little precedent to go upon in determining the authority of the court to appoint an elisor. Only one time in the history of Dade County has a previous appointment been made, and that was when an incumbent sheriff was indicted, and the Clerk of this Court was appointed an elisor to serve the warrant upon him and arrest him for such act, as the sheriff was obviously disqualified to arrest himself.

In the other known instance in the State, one cited at length by defendant's counsel, "The Club Diamond," located in Volusia County, Florida, an elisor was appointed therein by a visiting Circuit Judge. Upon his departure the resident Circuit Judge refused to take any action and certiorari sued out to the Supreme Court of Florida, which was denied without opinion. This is cited as authority by counsel for the defendant. The disposition of writs of certiorari by the Supreme Court in the past several years has not been of a character as to warrant such assumption.

Without discussing the proposition (and it has some merit) that the statute involved is applicable only to civil proceedings since it is found in that section of the Florida Statutes relating solely to civil process, the question of the appointment of elisors in criminal cases is one of great importance to the people of this county.

All laws should be enforced fairly and impartially without fear of or favor to anyone. The Sheriff of this county is its chief law-enforcement officer. If he fails to do his duty, recourse may be had under the laws of this State; for action on his bond; or by appeal to a higher authority for his removal for deficiencies in the administration of his office; or by the good old-fashioned American democratic method of replacing him at the ballot box.

From the facts and circumstances alleged in the bill and admitted to be true by the motion to dismiss, the Sheriff of this county, nor the Justice of the Peace, or the Constable of the Justice of the Peace's District were not disqualified in any way to perform the functions of their constitutional offices. To oust elected functioning and bonded officials in this manner invites chaos, revolution, and bloodshed.

There is no provision in the law of this State whereby a person wrongfully arrested, injured, or killed by an elisor is protected in any wise. It was never intended by the Legislature, nor can any such intention be derived from the statute, that such court-appointed elisors could supplant the duly elected and

acting chief law-enforcement officer of the county. To follow such contention to a logical conclusion, whenever any person became aggrieved at the Sheriff and application made for the appointment of an elisor, either for civil or criminal purposes, there would be so many elisors running around the county, with guns in their pockets, invading the private property of our citizens, they would be reminiscent of Al Capp's "Kignys" of comic-strip fame.

The foregoing may be true in a proper case, with proper parties. We do not and cannot decide the validity of the appointment of the elisor in this case. It is our conclusion that even though the bill is drawn in the form of a declaratory decree (and Florida has the most liberal laws pertaining to the same in the entire nation), it is a direct attack upon the official actions of a Judge of this Court. Regardless of whether one agrees or not with the official acts and functions of a Judge, such are performed in his judicial capacity and cannot be questioned by any proceeding brought in this court with such Judge a party defendant.

Being of the opinion that we are without jurisdiction to hear and decide this matter,

IT IS THEREUPON ORDERED, ADJUDGED AND DECREED that the motion of the defendant be sustained and the bill be dismissed.

DONE AND ORDERED this 30th day of November A. D. 1949.

GEORGE E. HOLT,

This Court being without jurisdiction, we concur in the Judgment of Dismissal:

N. VERNON HAWTHORNE,
WILLIAM A. HERIN,

Circuit Judges.

I did not hear the argument. I did read the record and the briefs submitted. From this consideration I concur and join in the foregoing opinion and order.

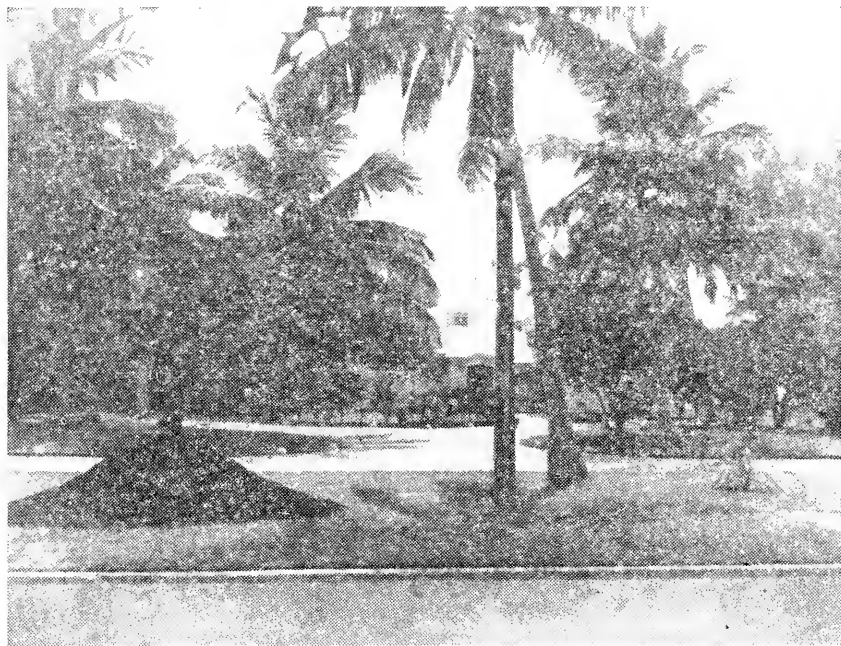
(S) MARSHALL C. WISEHEART,
Circuit Judge.

EXHIBIT No. 138



Home of John Angersola, 4431 Alton Road, Miami Beach, Fla.

EXHIBIT No. 139



Home of Sam Taran, 6520 Allison Road, Miami Beach, Fla.

EXHIBIT No. 140



Home of Ralph Buglio, Miami Beach, Fla.

EXHIBIT No. 141



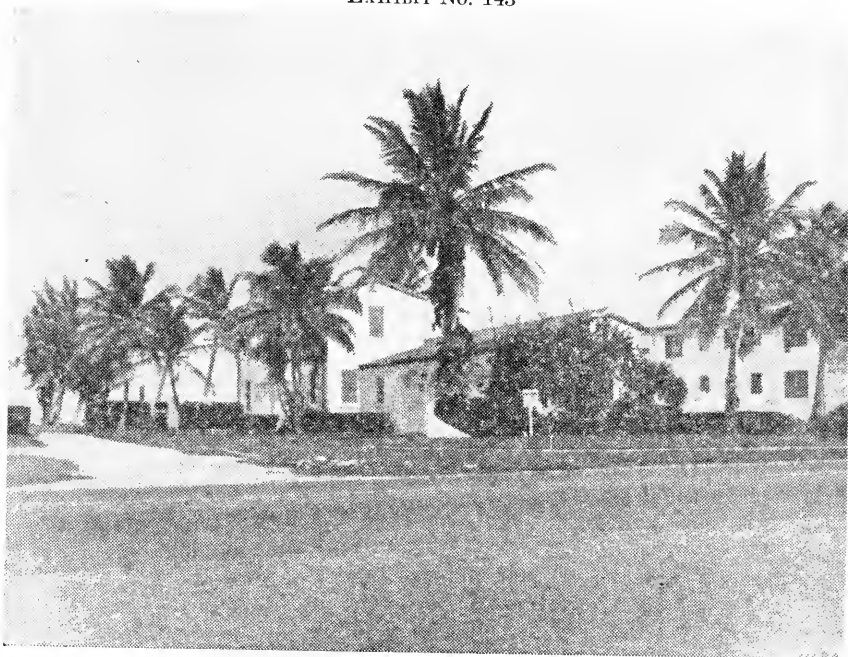
Home of Martin Leo Accardo, Coral Gables, Fla.

EXHIBIT No. 142



Home of Charles Fischetti, Miami Beach, Fla.

EXHIBIT No. 143



Home of Tony Accardo, Miami Beach, Fla.

EXHIBIT No. 145

Arrests, second quarter, 1946

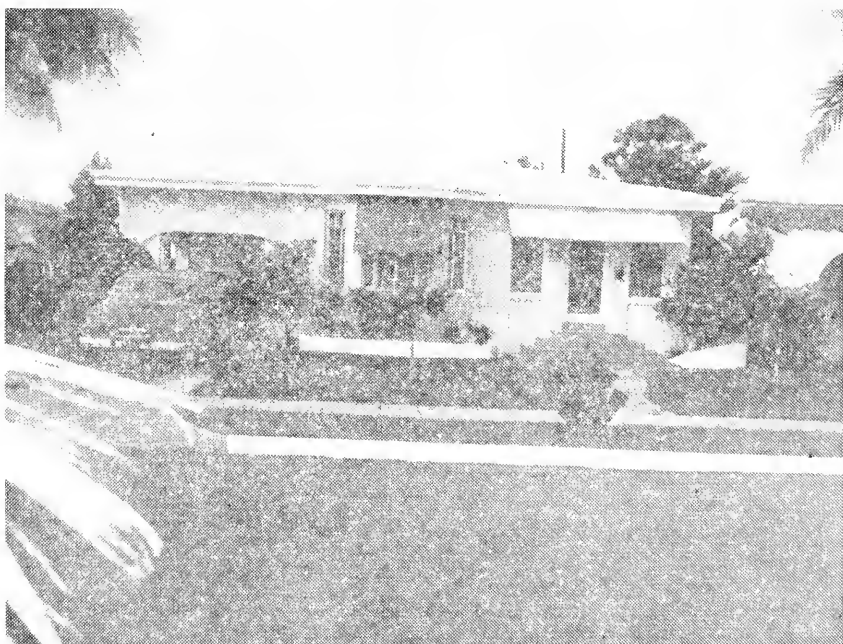
Charge	April	May	June	Total
Abandonment.....	1			1
Adultery.....	1	2	1	4
Aggravated assault.....	8	9	10	27
Armed robbery.....	4	4	1	9
Assault and battery.....	20	14	17	51
Assault, lewd and lascivious.....	1	1	2	4
Assault to murder.....	7	6	1	14
Attempted kidnapping.....		2		2
Attempted rape.....	2	3		5
Bigamy.....	2			2
Board-bill fraud.....			1	1
Breaking and entering.....	25	19	28	72
Carrying concealed weapons.....	1	9	5	15
Conspiracy.....		6		6
Contempt of court.....	7	1	4	12
Contributing to delinquency of minor.....	1	1	1	3
Delinquent children.....	76	45	23	144
Drunk.....	51	25	36	112
Drunk driving.....	19	17	12	48
Embezzlement.....	8	4	8	20
Extortion.....			1	1
Failure to register as felon.....		2		2
False imprisonment.....			3	3
Forgery.....	4	1	1	6
Fugitive from justice.....	4	7	7	18
Gambling.....	2	1	1	4
Held for others.....	15	20	12	47
Illegal disposal of garbage.....	1			1
Indecent exposure.....		1	1	2
Immigration.....	31	36	46	113
Investigation.....	25	20	27	72
Inquest for lunacy.....	9	3	7	19
Larceny.....				
Grand.....	10	10	8	28
M/V.....	4	8	5	17
Petit.....	3	11	6	20
Manslaughter.....	1	1		2
Molesting women.....	1			1
Murder.....	5	5	2	12
N. M. V. T. A.....	9	6	6	21
Nonsupport.....	3	3	1	7
Obtaining money under false pretenses.....	2	1	1	4
Operating gambling house.....	103	19	8	130
Operating lottery.....	5	1		6
P. L.....	2			2
Possession of lottery tickets.....	4			4
Possession of slot machines.....	3	1	2	6
Practicing medicine without license.....	1			1
Profane language.....	3	3	2	8
P. W.....	25	14	19	58
Rape.....	2	1	2	5
Receiving stolen property.....	2	1	1	4
Reckless display of firearms.....	1	5	5	11
Reckless driving.....	78	59	51	188
S. S. A.....	5	5	2	12
Trespassing.....	3	4	4	11
Unarmed robbery.....	4	2	2	8
Unlawful disposal of property.....	3			3
Vagrancy.....	8	2	2	12
Violation of—				
Beverage laws.....	1	6	12	19
Building laws.....		1		1
Game laws.....	3	1	3	7
Health unit.....	69	37	40	146
Liquor laws.....	2	5	7	14
M/V laws.....	11	14	25	50
Narcotic laws.....	1	1	5	7
Parole.....			2	2
Probation.....	2	1	3	6
Property laws.....		2		2
Sanitary Code.....	2	2	4	8
Worthless checks.....	8	7	11	26
Writs of ne exeat.....	5	4	3	12
Total.....	719	502	500	1,721

EXHIBIT No. 151



1803 Northwest Sixth Street.

EXHIBIT No. 152



2321 Southwest Fourth Street.

EXHIBIT No. 153



2327 Southwest Fourth Street.

EXHIBIT No. 154



2370 Southwest Fourth Street.

EXHIBIT No. 155



2338 Southwest Fifth Street.

EXHIBIT No. 156



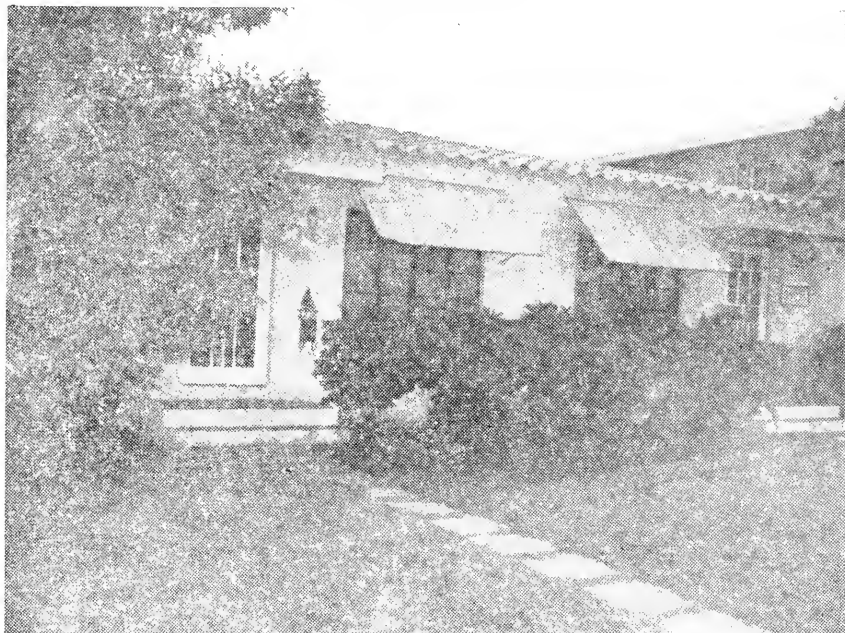
2620 Southwest Ninth Street.

EXHIBIT No. 157



2332 Southwest Fifth Street.

EXHIBIT No. 158



2236-38 Southwest First Street.

EXHIBIT No. 159



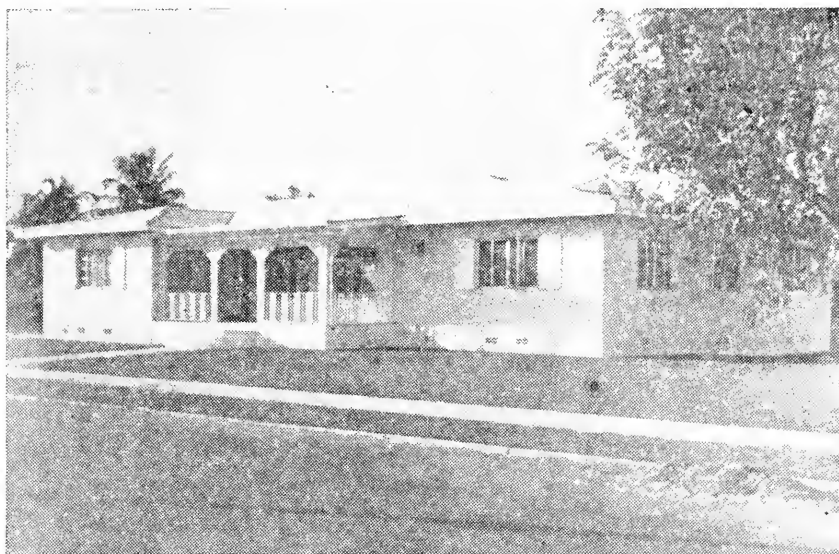
2240-42 Southwest First Street.

EXHIBIT No. 160



261 Southwest Thirtieth Road.

EXHIBIT No. 161



2485 Southwest Fourth Street.

EXHIBIT No. 163

James A. Sullivan, Miami, Fla.—Statement of financial condition on Jan. 1, 1944

Assets:

Cash on hand and in banks-----	\$12,850.00
Notes receivable-----	1,967.33
U. S. Treasury bonds-----	337.50
Automobile-----	150.00
Real estate and improvements at cost-----	7,900.00

Total assets -----	23,204.83
---------------------------	------------------

Liabilities: Mortgage payable on real estate -----	3,651.92
---	-----------------

Net worth -----	19,552.91
------------------------	------------------

*James A. Sullivan, Miami, Fla.—Statement of financial condition as of
July 12, 1950*

Assets:

Cash on hand and in banks	\$37,626.24
Notes receivable	2,200.00
Bonds at cost	1,468.75
Automobiles (2)	3,916.79
Residence and furnishings, 2485 Southwest 4th St	32,000.00

Total assets 77,211.78

Liabilities: Mortgage payable (residence) 18,000.00

Net worth¹ 59,211.78

¹The increase in net worth occurring since Jan. 1, 1944, arises from income received during the period from the following sources:

Salary	\$51,343.12
Profit on sale of real estate	30,469.10
Interest, rent, and miscellaneous	12,124.86
Total	93,937.08

EXHIBIT No. 165

Contributions by S. & G. Syndicate to police and firemen's associations

Date		Check No.	Amount
Apr. 18, 1950	Justices of Peace and Constables Association	2,864	\$100
Apr. 13, 1950	do	1,752	100
June 22, 1950	Hialeah Police and Firemans Association	3,030	100
Feb. 5, 1948	do	512	50
Jan. 14, 1948	do	338	50
Apr. 14, 1950	West Miami Police Association	1,755	50
Mar. 20, 1950	do	1,723	50
June 11, 1949	The Florida Peace Officer	1,565	100
Jan. 12, 1949	Dade County Road Patrol Benevolent Association	1,878	100
Nov. 8, 1948	North Miami Beach Police Department	1,635	50
Nov. 12, 1948	do	1,640	50
Jan. 22, 1948	do	373	50
Jan. 30, 1948	Miami Police Benevolent Association	386	200
Mar. 17, 1948	South Miami Police and Firemans Association	768	50

EXHIBIT No. 166

Checks issued for "regular" wire service

Date		Check No.	Amount	Endorsement
Jan. 5, 1948	Cash	318	\$1,500.00	Dade County Newsdealers Sy. Co.
Jan. 19, 1948	do	353	2,500.00	Do.
Jan. 12, 1948	Cash, services to Jan. 17	362	1,833.33	Do.
Dec. 29, 1947	Cash	247	1,500.00	Do.
Jan. 31, 1948	do	392	2,500.00	Do.
Jan. 26, 1948	do	380	2,500.00	Do.
Dec. 22, 1947	do	228	1,500.00	Do.
Feb. 5, 1948	do	503	2,500.00	Do.
Feb. 14, 1948	do	522	2,500.00	Do.
Feb. 23, 1948	do	535	2,500.00	Do.
Feb. 28, 1948	do	543	2,500.00	Do.
Mar. 8, 1948	do	726	2,500.00	Do.
Mar. 15, 1948	do	762	2,500.00	Do.
Mar. 22, 1948	do	670	2,500.00	Do.
Mar. 29, 1948	do	684	2,500.00	Do.
Apr. 5, 1948	do	833	2,500.00	Do.
Apr. 12, 1948	do	850	2,500.00	Do.
Apr. 28, 1948	do	967	1,200.00	Do.
May 17, 1948	do	1035	600.00	Do.
June 21, 1948	do	1151	600.00	Do.
June 29, 1948	do	1166	600.00	Do.
May 24, 1948	do	1052	600.00	Do.
May 31, 1948	do	1062	600.00	Do.
May 3, 1948	do	757	600.00	Do.
May 10, 1948	do	773	600.00	Do.
June 7, 1948	do	800	600.00	Do.
June 14, 1948	do	811	600.00	Do.
June 26, 1948	do	1250	600.00	Do.
July 6, 1948	do	833	600.00	Do.
July 12, 1948	do	850	600.00	Do.
July 19, 1948	do	1233	600.00	Do.
Aug. 2, 1948	do	1312	600.00	Do.
Aug. 9, 1948	do	1332	600.00	Do.
Aug. 16, 1948	do	1341	600.00	Do.
Aug. 27, 1948	do	1352	600.00	Do.
Sept. 6, 1948	do	1407	600.00	Do.
Sept. 13, 1948	do	1421	600.00	Do.
Sept. 20, 1948	do	1436	600.00	Do.
Sept. 27, 1948	do	1444	600.00	Do.
Oct. 4, 1948	do	1501	600.00	Do.
Oct. 11, 1948	do	1518	600.00	Do.
Oct. 18, 1948	do	1530	600.00	Do.
Oct. 25, 1948	do	1546	600.00	Do.
Nov. 8, 1948	do	1610	600.00	Do.
Nov. 22, 1948	do	1667	600.00	Do.
Nov. 1, 1948	do	917	600.00	Do.
Nov. 15, 1948	do	920	600.00	Do.
Dec. 4, 1948	do	1741	1,200.00	Do.
Dec. 6, 1948	do	1745	1,500.00	Do.
Dec. 13, 1948	do	1771	1,500.00	Do.
Dec. 20, 1948	do	1789	3,000.00	Ed. Petry-Leroy G.?
Jan. 5, 1948	do	1842	1,500.00	Dade County Newsdealers Sy.
Jan. 13, 1949	Intra State News and Service	1883	1,500.00	Same, W. M. Hagerty, owner, D. C. N. S.
Jan. 24, 1949	do	1999	2,500.00	Do.
Jan. 31, 1949	do	1031	2,500.00	Do.
Feb. 7, 1949	do	1048	2,500.00	Do.
Feb. 14, 1949	do	1062	2,500.00	Do.
Jan. 17, 1949	do	937	2,500.00	Do.
Mar. 24, 1949	do	2242	7,500.00	Do.
Mar. 28, 1949	do	1254	2,500.00	Dade County Newsdealers Sy. Co.
Apr. 4, 1949	do	1285	2,500.00	Do.
Apr. 11, 1949	do	1303	2,500.00	Same, W. M. H., owner, D. C. N. S.
Apr. 30, 1949	do	2306	2,433.00	Do.
May 30, 1949	do	1549	600.00	Do.
May 9, 1949	do	1514	600.00	Dade County Newsdealers Sy.
May 16, 1949	do	1523	600.00	Same, W. M. H., owner, D. C. N. S.
May 23, 1949	do	1535	600.00	Do.
Mar. 20, 1950	Intra State News and Service, through Mar. 25.		1,000.00	
Mar. 13, 1950	Intra State News and Service, 5 weeks through Mar. 18.	2783	5,000.00	Same, W. M. H., owner, D. C. N. S.
Apr. 4, 1950	M. O. Brien	2832	2,000.00	M. O. Brien, D. C. N. S. Co.
Apr. 10, 1950	do	2842	1,000.00	Do.
Apr. 17, 1950	do	2861	1,000.00	Do.
May 5, 1950	Morgan O. Brien, through May 6.	2976	400.00	Morgan O. Brien, Graham Press.
May 20, 1950	Intra State News and Service	2794	1,000.00	Same, W. M. H., owner, D. C. N. S.

EXHIBIT No. 167

Checks issued for "special" wire service

Date		Check No.	Amount	Endorser
Jan. 5, 1948	Cash	319	\$228.37	Dade County Newsdealers Sy. Co.
Jan. 12, 1948	do	363	136.80	Do.
Jan. 31, 1948	do	391	290.00	Do.
Feb. 28, 1948	do	544	290.00	Do.
Mar. 8, 1948	do	727	94.00	Do.
Apr. 5, 1948	do	834	290.47	Do.
May 3, 1948	do	758	290.47	Do.
June 7, 1948	do	801	290.47	Do.
July 6, 1948	do	834	290.47	Do.
Aug. 2, 1948	do	1313	290.47	Do.
Sept. 6, 1948	do	1408	290.47	Do.
Oct. 4, 1948	do	1502	290.47	Do.
Nov. 1, 1948	do	918	290.47	Do.
Dec. 6, 1948	do	1744	290.47	Do.
Jan. 5, 1949	do	1841	644.24	Do.
Feb. 9, 1949	do	2026	349.50	Do.
Mar. 17, 1949	do	2223	349.50	Do.
Apr. 4, 1949	do	1286	433.50	Do.
May 30, 1949	do	1548	349.50	Do.
May 4, 1949	do	1499	433.50	Do.
July 5, 1949	do	1629	349.50	Do.
Aug. 1, 1949	do	2181	349.50	Do.
Sept. 7, 1949	Cash, special service, September 1949.	1607	349.50	Do.
Oct. 3, 1949	Cash	2546	349.50	Do.
Nov. 1, 1949	do	2570	349.50	Do.
Dec. 9, 1949	do	2610	349.50	Do.
Jan. 25, 1950	Cash, special wire service	2888	94.00	S. & G. Service.
May 21, 1950	The Graham Press	2795	721.00	The Graham Press.

EXHIBIT No. 168

Gross betting receipts by S. & G. syndicate showing interruption Feb. 20 to Mar. 4—total ins by day, January to April 1949

Day	January	February	March	April	Day	January	February	March	April
1	\$67,474	\$171,629		\$156,033	18	\$134,430	\$290,040	*\$116,840	\$166,615
2	S	189,696		156,082	19	139,263	97,720	*129,060	125,417
3	82,913	183,324		S	20	157,886	S	S	108,375
4	109,284	226,206	\$86,151	141,344	21	153,178		89,227	124,017
5	112,975	243,515	53,453	133,537	22	164,833		149,112	125,449
6	104,856	S	S	125,872	23	S		162,347	125,653
7	108,580	197,610	45,510	136,125	24	123,673		175,793	S
8	118,067	230,852	54,607	139,907	25	143,114		165,477	91,953
9	S	241,086	61,796	133,604	26	191,427		172,894	97,387
10	88,884	233,777	70,418	S	27	180,710	S	S	110,923
11	107,287	236,461	59,124	105,102	28	168,736		130,723	107,498
12	130,453	234,657	82,431	122,467	29	187,809		134,811	103,409
13	129,371	S	S	122,612	30	S		154,253	112,495
14	123,213	184,365	81,364	114,238	31	127,523		145,838	S
15	131,272	246,082	98,772	110,881					
16	S	241,932	125,930	130,203		3,384,463	3,691,672	2,682,228	
17	97,222	242,720	136,297	S					

	Reg.	Layoff
Loss, Feb. 18	\$19,215.60	\$8,877.25
Loss, Feb. 19	17,774.40	195.10
Total loss, February	36,990.00	9,072.35
	37,002.30	17,926.60

S=Sundays.

EXHIBIT No. 169

Orange Park Kennel Club, Inc., Orange Park, Fla.—Statement of dividend checks issued as of Jan. 10, 1948, on the Florida National Bank

Name	Address	Number of shares	Dividend paid
Carl T. Hoffman and Annie M. Hoffman (husband and wife).	Ingraham Bldg., Miami, Fla.....	300	\$3,000
Ethel Blume.....	1638 Edgewood, Jacksonville, Fla.....	30	300
Josephine Bennett.....	9500 Carlyle, Surfside, Miami Beach, Fla.	30	300
H. H. Humphries and Margaret Humphries (husband and wife).	636 Stockton St., Jacksonville, Fla.....	30	300
Pearl Norris.....	2958 Oak St., Jacksonville, Fla.....	20	200
Rex Sweet.....	Courthouse, Jacksonville, Fla.....	20	200
Geo. A. Pierce.....	1307 Avondale, Jacksonville, Fla.....	20	200
T. J. Jennings, Jr.....	Orange Park, Fla.....	20	200
John P. Hail.....	Green Cove Springs, Fla.....	20	200
Mylee Dyer.....	15th and Cass Ave., St. Louis, Mo.....	50	500
Bart Dyer.....	do.....	50	500
Paul E. Reinhold.....	Venetia Sub., Jacksonville, Fla.....	30	300
Anne E. Johnston.....	1090 Arbor Lane, Jacksonville, Fla.....	60	600
E. A. Rouleau.....	Floridan Hotel, Tampa, Fla.....	10	100
Chas. A. Rush.....	2503 River Rd., Jacksonville, Fla.....	20	200
Wm. H. Johnston, Sr., and J. R. Johnston, as trustees for—			
Wm. H. Johnston and Anne E. Johnston (husband and wife).	1090 Arbor Lane, Jacksonville, Fla.....	450	4,500
John A. Rush and Louise S. Rush (husband and wife).	2503 River Rd., Jacksonville, Fla.....	300	3,000
Wm. Joe Sears and Catherine W. Sears (husband and wife).	1722 Edgewood, Jacksonville, Fla.....	150	1,500
Charles W. Bidwill and Violet M. Bidwell (husband and wife).	511 Plymouth Ct., Chicago, Ill.....	450	4,500
John R. Johnston and Anna Vaughn Johnston (husband and wife).	2830 South Columbia Pl., Tulsa, Okla...	450	4,500
John Patton, Jr., and James J. Patton.	1738 San Marco Blvd., Jacksonville, Fla..	450	4,500
R. J. Hart, Sr., and Ann Hart (husband and wife).	1390 Southwest 17th St., Miami, Fla....	40	400
Total.....		3,000	30,000

EXHIBIT No. 169—Continued

Jacksonville Kennel Club, Inc., Jacksonville, Fla.—Statement of dividend checks issued as of Jan. 10, 1948, on the Barnett National Bank

Name	Address	Number of shares	Dividend paid
Louis Z. Baya.....	735 Riverside Ave., Jacksonville, Fla.....	15½	\$620.00
Frederick H. Schultz.....	3644 Richmond Rd., Jacksonville, Fla.....	2	80.00
John Z. Fletcher.....	1016 Barnett Bldg., Jacksonville, Fla.....	1	40.00
Dorothy Hyland.....	1570 Mason Rd., Kirkwood, Mo.....	60	2,400.00
R. J. Hart, Sr.....	1390 Southwest 17th St., Miami, Fla.....	19	760.00
George Sawyer, Jr.....	Trust department, Central Bank, Oakland, Calif.....	50	2,000.00
G. M. Todhunter.....	406 Lee St., Oakland 10, Calif.....	50	2,000.00
J. H. Hysler.....	4719 Blackburn Rd., Jacksonville, Fla.....	2	80.00
M. Cherry.....	1558 Alexandria Pl., Jacksonville, Fla.....	1	40.00
Frank R. Anderson.....	Box 201, Belleville, Ill.....	24½	986.66
Don Anderson.....	do.....	5	200.00
Ethel Blume.....	1638 Edgewood Ave., Jacksonville, Fla.....	10	400.00
Eleanor Valz.....	3600 Riverside Ave., Jacksonville, Fla.....	24	960.00
Josephine Bennett.....	9500 Carlyle Ave., Surfside, Miami Beach, Fla.....	12	480.00
Annie M. Hoffman.....	Care of Carl T. Hoffman, Ingraham Bldg., Miami, Fla.....	100	4,000.00
Ruth D. Jennings.....	2849 Lydia St., Jacksonville, Fla.....	50	2,000.00
R. J. Hart, Jr.....	1390 Southwest 17th St., Miami, Fla.....	3	120.00
Richard T. Hart.....	do.....	3	120.00
Doris Hart.....	do.....	3	120.00
Ruth Cohn.....	1539 Marco Pl., Jacksonville, Fla.....	20	800.00
William H. Johnston, Sr., and J. R. Johnston, as trustees, for—			
William H. Johnston.....		186	7,440.00
Anne E. Johnston.....		201	8,040.00
J. R. Johnston.....		166½	6,666.67
Violet M. Bidwill.....		100	4,000.00
James and John Patton, Jr.....		200	8,000.00
Violet M. Bidwill.....		66½	2,666.67
Harry Blattner.....		20	800.00
Mary Johnston.....		5	200.00
Jule Ann Johnston.....		5	200.00
Mary Rowan Johnston.....		5	200.00
William H. Johnston, Jr.....		5	200.00
Total.....		1,415½	56,620.00

EXHIBIT No. 172

CONTRACT OF SALE

This Agreement of Sale. Made this _____ day of _____ November, _____ nineteen hundred and forty-nine _____ between **ETHEL G. SULLIVAN and JAMES SULLIVAN, her husband** _____ of the first part and _____ of the second part.

THOMAS A. RICE and RUTH M. RICE, his wife _____ of the second part.

WITNESSETH, that the said parties _____ of the first part do hereby bargain and sell unto the said parties of the second part, and the latter does hereby purchase from the former the following described property, situate and lying in _____ Aberdeen, Maryland, fronting 47 1/2 feet on the westerly side of Bel Air Avenue and extending back westerly 210 feet, being known as Premises No. 204 West Bel Air Avenue, being the same and all the land as described in a deed from Richard A. Neu and wife to Ethel G. Sullivan, dated September 18, 1949 and recorded among the Land Records for Harford County in Liber No. 334, folio 326.

At and for the price of Ten Thousand Five Hundred Dollars (\$10,500.00) _____ of which Five Hundred Dollars (\$500.00) _____ have been paid prior to the signing hereof and the balance to be paid as follows: all cash on or before December 15, 1949. The parties hereto agree that the settlement date will be on Thursday, December 1st unless unforeseen difficulties arise.

And upon payment as above of the unpaid purchase money, a deed for the property shall be executed at the Vendor's expense by the Vendor, which shall convey the property by a good and merchantable title to the Vendee.

Taxes and insurance to be paid or allowed for by the Vendor to date of settlement.
Possession to be given _____ on date of settlement.

WITNESS our hands and seals:

TEST:

Ethel G. Sullivan (SEAL)
Ethel G. Sullivan
James Sullivan (SEAL)
James Sullivan
Thomas A. Rice (SEAL)
Thomas A. Rice
Ruth M. Rice (SEAL)
Ruth M. Rice

EXHIBIT No. 172—Continued

This Deed, made this 18th day of December, in the year 1949, by ETHEL G. SULLIVAN and JAMES SULLIVAN, her husband, of the City of Miami, State of Florida.

WITNESSETH that for and in consideration of the sum of ten dollars, and other good and valuable consideration, the receipt of which is hereby acknowledged, the said Ethel G. Sullivan and James Sullivan, her husband, do hereby grant and convey unto THOMAS A. RICE and RUTH M. RICE, his wife, of Harford County, State of Maryland, all that certain lot, piece or parcel of land situate in the Town of Aberdeen, in the Second Election District of Harford County, which said lot fronts forty-seven and one-half (47 1/2) feet on the westerly side of Bel Air Avenue, with a depth westerly therefrom of two hundred and ten (210) feet to Buchanan Alley there laid out. The improvements thereon being known at present as No. 204 W. Bel Air Avenue; being the same and all the land as described in a deed dated September 16, 1949 from Richard A. Neu and wife to Ethel G. Sullivan and recorded among the Land Records of Harford County in Liber C. R. C. No. 334, folio 326.

TOGETHER with the buildings and improvements thereon and the rights, roads, ways, waters, privileges and appurtenances thereto belonging or in any wise appertaining.

TO HAVE AND TO HOLD unto the said THOMAS A. RICE and RUTH M. RICE, his wife, as tenants by the entireties, their heirs and assigns, forever in fee simple.

AND the said grantors do hereby covenant to warrant specially the lands and premises herein described and intended to be conveyed, and to execute such other and further assurances thereof as may be necessary or requisite.

AS WITNESSE our hands and seals:

WIT:

Heads of 7 in
through 20 and

Ethel G. Sullivan
James Sullivan

EXHIBIT No. 172 - Continued

B

... day of November.
 in the year 1943, the undersigned, a Notary Public of
 the State of Florida, Clerk of Miami, duly commissioned and qualified,
 personally appeared EMIL J. ... and EMIL ... her
 husband, and acknowledged the foregoing deed to be their act and
 deed.

Witness my hand and notarial seal:

TRANSFERRED

CHARLES H. HARTMAN
 CLERK

Betty Jane Maxwell
 Notary Public
 My Comm. Exp. 10/1/44
 My Comm. No. 1000
 Betty Jane Maxwell

ALL DEEDS PAID
 STREET SOWMAN, TREAS
 12/2/43

397 77
 Dec 2 2 45 PM '43

Land ...



EXHIBIT No. 173

ABERDEEN, MD. 1 Dec 1949 No 4

THE FIRST NATIONAL BANK 65-142
521
ABERDEEN MD.

PAY TO THE ORDER OF Gladys F. New \$5,000.⁰⁰/_{xx}

Five thousand and ^{no} 100 DOLLARS

Payment for house Thomas A. Rice

ABERDEEN, MD. 1 Dec 1949 No 5

THE FIRST NATIONAL BANK 65-142
521
ABERDEEN MD.

PAY TO THE ORDER OF Gladys F. New \$5,000.⁰⁰/_{xx}

Five thousand and ^{no} 100 DOLLARS

Final payment for house Thomas A. Rice

ABERDEEN, MD. 1 Dec 1949 No

THE FIRST NATIONAL BANK 65-142
521
ABERDEEN MD.

PAY TO THE ORDER OF Gladys F. New \$50.⁰⁰/_{xx}

Fifty and ^{no} 100 DOLLARS

Refrig. Piano Rug Thomas A. Rice

EXHIBIT No. 173—Continued

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0000

0000
Richard A. M.

0000
0000

0000
Richard A. M.

0000
0000

0000
R. A. M.

SUPPLEMENTAL DATA

The following correspondence is included in the record by order of the chairman:

STATE OF FLORIDA,
EXECUTIVE DEPARTMENT,
Tallahassee, Fla., August 8, 1950.

Mr. RUDOLPH HALLEY,
*Chief Counsel, Special Committee To Investigate Organized Crime in Inter-
state Commerce, Washington, D. C.*

DEAR MR. HALLEY: Section 14.06, Florida Statutes 1941, authorizes the Governor of Florida to employ investigators. Such investigators are vested with no law-enforcement powers. They may simply investigate.

Even before my inauguration as Governor of Florida on January 4, 1949, I received reports of violations of law. After my inauguration such reports increased, with requests for investigations.

Three investigators were employed for the Governor's office. One was E. A. Garner, of Sarasota, Fla. He had been chief of police of Sarasota for many years, and resigned to accept employment as investigator for my office. Mr. Garner had been president of the Florida Peace Officers Association. I had known him for many years.

J. J. Elliott, of Clearwater, Fla., also was employed as an investigator for the Governor's office. He had been chief of police of Clearwater. I had known him about a year.

W. O. Crosby, of Jacksonville, Fla., also was employed as an investigator. He was a detective in the Jacksonville police department at the time, and obtained a leave of absence to accept employment as an investigator for my office. I had known him about 20 years.

These investigators were instructed to investigate law violations generally and from time to time were assigned to specific cases to investigate. General law enforcement in Florida is vested in elected county officials, the sheriff being the chief law-enforcement official in each county. The investigators from my office were instructed to report law violations discovered by them to county sheriffs and to request enforcement of the law.

During 1949 most of my time was taken up with two separate sessions of the legislature, preparing the biennial State budget, and by a month in the hospital. The administrative duties of my office were handled largely by my assistants. The investigators from my office were directed by my assistants. I talked with the investigators only a few times during 1949.

I have read the testimony given by W. O. Crosby to the Kefauver committee at Miami, and I see nothing improper in it except that he made arrests. When I learned he had been making arrests, he was instructed that the law gave him no authority to make arrests. Testimony taken by the committee in Miami shows he continued to report bookie violations to Sheriff Sullivan after March 1949, and that he was investigating at Miami Beach in March and April 1950. Testimony shows that the sheriff's office of Dade County made 574 arrests in 1949 for violations of the gambling laws, as compared to only 279 such arrests in 1948.

E. A. Garner, another investigator from my office, also investigated gambling in Dade County and reported violations to the sheriff. He caused search warrants to be issued in February 1950 for a large number of bookie operations in hotels at Miami Beach.

William H. Johnston has been my friend for about 15 years. He supported me several times when I was a candidate for local office in Duval County. He supported me when I was an unsuccessful candidate for Governor in 1940. He supported me when I was elected Governor in 1948. I never heard or read anything unfavorable about him until a few months ago. During the years I

knew him in Jacksonville he was active in civic and charitable work and was generally regarded as a good citizen.

Mr. Johnston did not make campaign contributions to me personally. C. V. Griffin had charge of the financing of my campaign for Governor in 1948. It was agreed between Mr. Griffin and me before the campaign began that he would take charge of the financing, and that I would have no part in it. I do not know what campaign contributions Mr. Johnston may have made.

C. V. Griffin and I have been friends during about 25 years, since we were at the University of Florida. He supported me when I was candidate for Governor in 1940. He supported me when I was elected Governor in 1948. He and his associate, the late Dodge Taylor, wrote the citrus plank in the platform on which I was elected Governor. Mr. Griffin and Mr. Taylor were my advisers on citrus legislation during the 1949 regular session of the legislature, which enacted the Florida Citrus Code.

Florida Governors long have followed the custom of appointing friends to their personal staffs with the honorary rank of lieutenant colonel. I made many such honorary appointments. Mr. Griffin was appointed to my personal staff with the honorary rank of admiral. All such appointments were purely honorary. The law gives such appointees no authority or power.

In July 1949 Mr. Griffin handed me a printed card designating him as chief investigator, and asked me to sign it. He had had no training as an investigator. He had been engaged in the citrus business for more than 20 years, and had become Florida's leading grower of citrus. I understood the card to be another honorary designation for him, and signed. Mr. Griffin did no investigating for my office and received no salary from the State.

Seven months later, in February 1950, without mentioning it to me, Mr. Griffin released a statement to the press saying he had been appointed chief investigator and that I had requested him to make an investigation of the State government. I then revoked the card which I had signed in July 1949. No one asked me to revoke it. It was my own decision.

The Governor of Florida has no general law-enforcement power. The Constitution and laws of Florida vest the power of general law enforcement in elected county officials, the sheriff being the chief law-enforcement official in each county. The Governor has no direct control over sheriffs or other county law-enforcement officials. He cannot remove sheriffs and other county law-enforcement officials. The Constitution of Florida vests power of removal in the State senate. It gives the Governor only the power to suspend such officials until the State senate convenes. If the State senate refuses to remove the suspended official, he is reinstated and receives his salary for the time he was suspended. In only a few instances have Florida Governors suspended sheriffs, and the State senate usually has refused to remove those suspended.

Florida has no State police force. The only agency under control of the Governor with even limited law-enforcement power is the State beverage department. Its powers are limited to enforcement of the beverage laws.

Gambling has been tolerated in Florida for many years. The seized records of Frank Erickson show that he made \$145,876.63 from bookie operations in the Miami area in 1938-39. Erickson's records show that in 1944 his share from bookie operations in Florida was \$81,340.10. His records further show he shared in a profit of \$685,583.76 from bookie operations in Florida in 1945-46.

The gambling clubs named in the Kefauver committee's proposed report were built and in operation long before I became Governor. Testimony taken by the committee shows the S. & G. gambling syndicate had been in operation for years before I became Governor. The testimony indicates that the racketeers named in the committee's proposed report had been carrying on gambling operations in Florida for many years before I became Governor.

Gambling had gained such a strong hold in Florida before I became Governor that it was impossible to suppress all of it at once. Shortly after my inauguration I directed sheriffs and other law-enforcement officers to strictly enforce the law against slot machines. A few weeks later I directed sheriffs and other law-enforcement officers to strictly enforce the law against bookies. I also requested the State racing commission to vigorously use its power, even though very limited, against bookies.

The State beverage department was instructed to suppress bookies on licensed beverage premises, its law-enforcement powers being limited to licensed beverage premises.

The regular session of the legislature convened 3 months after I was inaugurated Governor. An antibookie bill had been defeated in two biennial sessions

of the legislature before I became Governor. I endorsed the antibookie bill which had been twice defeated. I formulated a plan to obtain its passage by the legislature. It was passed and I signed it into law. Its enforcement was vested in the attorney general and in the Florida Railroad and Public Utilities Commission.

Next, I directed all county law-enforcement officials, including sheriffs, constables, State attorneys, county solicitors, and prosecuting attorneys, to strictly enforce all gambling laws, and to submit reports showing what they had done to enforce the laws against gambling.

The proposed report of the Kefauver committee shows a gross income of \$26,500,000 for the S. & G. Syndicate in 1948, but none since. My administration did not begin until 1949.

Testimony taken by the committee in Miami shows that Frank Erickson paid \$40,000 for the bookie concession at the Roney Plaza Hotel in Miami Beach in 1947. That was before I became Governor. The State beverage department made a raid on the bookie operation in the Roney Plaza Hotel shortly after I was inaugurated Governor.

Testimony taken by the committee in Miami shows that John O'Rourke testified his bookie operation in Palm Beach County was raided by the State beverage department, and he was arrested, soon after my administration began.

Testimony taken by the committee in Miami shows that Sheriff Walter Clark, of Broward County, received income from a bolita business in which he was a partner during the years 1945, 1946, and 1947. That was, before I became Governor.

Testimony taken by the committee in Miami also shows that Sheriff Sullivan's net worth of about \$70,000 was accumulated before January 1, 1949, prior to my becoming Governor.

I enclose an editorial by the Fort Myers News-Press on gambling in Florida.

Yours very truly,

FULLER WARREN, *Governor*.

[From the Fort Myers (Fla.) News-Press, July 29, 1950]

WHY ALL THE RUCKUS?

The uproar over gambling in Florida has administration officials at Tallahassee a bit bewildered. How come, they ask, this sudden ruckus over a condition that has been more or less prevalent—mostly more—for the past 20 years which are within easy memory of old hands throughout the State?

Take, for example, the two previous administrations because they were strictly high class and on the up-and-up in anybody's book. In spots recently under scrutiny, and many others not in the current headlines, the gambling joints were open wider when Spessard Holland—and Millard Caldwell were governors—and they were just as high, wide, and handsome under Fred Cone and Dave Sholtz—than they have ever been since Fuller Warren took over. This is common knowledge among all who get around. It is admitted even by the star reporters who have been writing things up for the newspapers that have joined in the clamor.

If anybody doesn't believe that, the record is there to prove it, including the record recently exposed by the Kefauver committee. When the books of Frank Erickson, the Nation's biggest bookie, were seized by the Federal investigators, his accounts showed that he made \$145,876.63 from a single gambling operation in the Miami area in 1938-39. Warren was not governor then. Erickson's records also show that in 1944 his share was \$81,340.10. That year Lieutenant Warren was in command of a Navy gun crew hunting German subs in the Atlantic. Erickson really hit the jackpot with a piece of a \$685,583.76 take in 1945-46. So lucrative was the patronage in those days that he was able to pay the Roney Plaza Hotel at Miami Beach \$40,000 for the bookie concession at that one spot in 1947. Warren had not got around to announcing for governor then. He was inaugurated January 4, 1949, and Federal sleuths found nothing in the Erickson records to indicate a Florida angle after that time.

The big fish in the Kefauver net was the S. & G. Syndicate which operated openly in Dade County gambling for many years. From its bookie operations it grossed the hefty sum of \$26,500,000 in 1948. But the Kefauver probers disclosed nothing for 1949-50. Fuller Warren was Governor during that period.

The evidence which caught up with Sheriff Clark, of Broward County, was taken from his income-tax returns for 1945-46-47, when Warren was not gover-

nor. Immediately after Clark had admitted that he was still a partner in an outfit which ran a bolita game Governor Warren fired him.

The State beverage department was in existence during the Holland and Warren administrations with the same powers it has been using to run slot machines, punchboards and other forms of gambling out of public places that have liquor licenses. The commissioner under Governor Holland, an upright man who organized the department into an efficient agency for the collection of revenue due the State, was asked by a Tallahassee reporter the other day what he had done to suppress gambling. His answer was, "Nothing."

Governor Caldwell, it will be remembered, didn't fool with it. When local crime commissions and what not came to him with complaints he sent them home to tell it to the grand jury and told them that if they didn't like the way the laws were enforced all they had to do was vote the rascals out. That may not have been the best public policy, but it left him free to administer the affairs of State without having to double in the justice-of-the-peace court.

On the credit side, Governor Warren has at least one major positive achievement that deserves to be recognized. He vigorously backed the antibookie bill, which had been defeated in two previous sessions of the legislature, and saw it become a law. Enforcement powers were placed in the hands of the attorney general and the utilities commission. Both have taken energetic steps to enforce the law. In the meantime the racing commission and the beverage department, both under the Governor, have made continued crackdowns on bookies within the limited scope of their authority.

No one will maintain that those who like to take a chance on the numbers or the ponies cannot get action here and there in the State in what is known to the trade as "sneak" operations. But neither the Kefauver committee nor any other prober has shown that sustained bookie operations have been carried on since Warren has been governor. As a matter of fact, any fair inquiry would show that under his administration the prevalence of gambling, and certainly the volume, has been less than at any time since away back when the professionals first got a foothold in Florida.

STATE OF FLORIDA,
EXECUTIVE DEPARTMENT,
Tallahassee, Fla., August 8, 1950.

MR. RUDOLPH HALLEY,

*Chief Counsel, Special Committee To Investigate Organized Crime in
Interstate Commerce, Washington, D. C.*

DEAR MR. HALLEY: As a supplement to the letter mailed you earlier this morning, I am enclosing a copy of a statement I made on February 18, 1949, little more than a month after my inauguration.

Yours very truly,

FULLER WARREN, *Governor.*

STATEMENT BY FULLER WARREN, FEBRUARY 18, 1949

I am liberal minded. I believe in local self-government, and particularly in local law enforcement. I am not a reformer, but I have an inescapable obligation to protect the revenue of Florida's State government. Unlawful bookmaking on horse and dog races is depriving the State of millions of dollars of racing taxes, it is estimated. In one county, alone, it is estimated that about 300 bookie joints are operating. In this county money legally bet on horse races, from which the State receives an 8 percent tax, is millions of dollars below what it was last racing season. In spite of the fact that more tourists are in this county than ever before, legal betting at races there is steadily decreasing.

The State loses \$8 on every \$100 illegally bet with bookies. Every county in Florida gets an equal share of the racing money. The old people of Florida get 5 percent of the 8 percent tax on horse racing. Thus the 67 counties and the 61,000 old people receiving assistance are swindled every time a bet is placed with a bookie.

The State of Florida is faced with a near financial crisis. State Comptroller C. M. Gay has warned that there may not be enough money in the treasury to pay salaries in July and August. The State government has been faced with demands for \$100,000,000 more during the coming 2 years than present taxes will yield.

Tax stealing by bookies must stop in this State. Accordingly, I am instructing all sheriffs and constables to arrest all bookie operators in their counties and districts. I have no authority over policemen but I urge them to assist in suppressing these tax thieves.

I also am instructing State Beverage Director Lewis Schott and Hotel Commissioner James T. Landon to use their authority to the utmost against illegal bookmaking. Mr. Schott's agents will be directed to fully enforce the law which prohibits illegal bookmaking on premises licensed to sell alcoholic beverages. Mr. Landon will instruct all hotels to forbid bookie operations on hotel premises.

I urge every citizen who wants the stealing of State taxes by bookies stopped to inform law enforcement officers of any known bookmaking operations. If bookies are allowed to continue to swindle the State of racing taxes, all citizens may be burdened with additional taxes to replace the lost revenue.

I urge judges who have been imposing light sentences on bookie violators to pass sentences commensurate with the offense committed against the revenue of the State.

STATE OF FLORIDA, EXECUTIVE DEPARTMENT,
Tallahassee, August 9, 1950.

Mr. RUDOLPH HALLEY,

Chief Counsel, Special Committee To Investigate Organized Crime in Interstate Commerce, Washington, D. C.

DEAR MR. HALLEY: As a supplement to the comments previously sent you, I am enclosing copy of my order of August 7 to all sheriffs and constables.

Very truly yours,

FULLER WARREN, *Governor.*

STATE OF FLORIDA, EXECUTIVE DEPARTMENT,
Tallahassee, August 7, 1950.

To All Sheriffs and Constables:

The Constitution of Florida provides that the Governor may suspend law-enforcement officers for six causes, one of which is neglect of duty in office. Neglect to enforce the laws against gambling constitutes neglect of duty in office and therefore is a cause for suspension.

You are again directed to enforce, in your county or district, the laws of the State of Florida against gambling. If, after 30 days from this date, to wit, after September 6, 1950, I find that the gambling laws are not being enforced in your county or district, I will presume that you are guilty of neglect of duty in office, and an order of suspension will be made without a hearing. This does not mean that you are not under the duty to enforce the laws against gambling during the next 30 days. It means that I will not suspend any sheriff or constable, before September 6, without a hearing.

The Constitution of Florida provides that the attorney general shall be the legal adviser to the Governor. In order that no suspension will be made upon legally unsound evidence for neglect of duty to enforce the gambling laws after September 6, I will request Attorney General Ervin and his staff to examine and pass upon the admissibility and legal sufficiency of all evidence submitted as to such neglect of duty.

The constitution also provides that a suspended official may be reinstated by the Governor upon satisfactory evidence that the cause or causes for which he was suspended are untrue. Therefore, any sheriff or constable who may be suspended, without a hearing, for neglect of duty to enforce the gambling laws after September 6, will have an opportunity at a later date to prove that he was not guilty of the neglect of duty for which he was suspended.

FULLER WARREN, *Governor.*

STATE OF FLORIDA, EXECUTIVE DEPARTMENT,
Tallahassee, August 14, 1950.

Mr. RUDOLPH HALLEY,

Chief Counsel, Special Committee To Investigate Organized Crime in Interstate Commerce, Washington, D. C.

DEAR MR. HALLEY: As a supplement to the comments contained in my letter of August 8, and to my letter of August 9, I am enclosing copy of my statement of February 21, 1949.

Very truly yours,

FULLER WARREN, *Governor.*

STATEMENT BY FULLER WARREN FEBRUARY 21, 1949

I am reluctant to intervene in local law enforcement. I believe deeply in the right of the people to have the kind of local law enforcement they choose by election of sheriffs and constables. My reading of history convinces me that human rights have suffered far more than they have benefited by remote control of local law enforcement.

Despite this conviction, defiance of the law in Hillsborough County has become so alarming that I have felt it my duty to do something about it. The root of the trouble seems to have been the almost open and flagrant sale of bolita for many years past. So far as I have been able to learn bolita has been sold in Tampa for as far back as living people can remember. Apparently no determined and sustained effort has ever been made to stamp it out. Political races have been run with bolita as the issue. The outcome of such races has not eliminated, nor apparently even lessened, bolita in Tampa. The seeming fact that a majority of the people of Hillsborough County apparently have never disapproved bolita has made me all the more reluctant to intervene.

Nevertheless, because bolita apparently has brought about a near breakdown in law enforcement and danger of actual civil disorder in Tampa, I have decided to move against it. I have directed Sheriff Hugh Culbreath to arrest every bolita operator and peddler in Hillsborough County. He has assured me he will do his full duty in this regard. I have assured him of outside help if he needs it. If necessary, I will ask the FBI to intervene. I am ready to assign more special investigators to Hillsborough County if required to eliminate bolita. I would even go so far as to assign a unit of the State militia to Tampa, if it became necessary. I will do whatever else may be necessary. But I doubt that the job can be completely done by law-enforcement officials alone. I believe they will need the help of all citizens who want bolita abolished. Therefore, I urge that citizens of Tampa take it upon themselves to turn up all known bolita operators.

I am told several sporadic efforts in the remote past to suppress bolita in Tampa failed. If this one also fails it likely will be a long time before another attempt is made, so every citizen who wants this corrupting evil destroyed ought to do his utmost now.

CLEVELAND, November 6, 1950.

HON. ESTES KEFAUVER,

*Chairman of Committee of the United States Senate To Investigate
Interstate Criminal Activities,*

Senate Office Building, Washington, D. C.

DEAR SENATOR KEFAUVER: The transcript of the proceedings conducted by your committee at Miami, Fla., on July 13, 14, and 15, 1950, quotes you as saying in your preliminary remarks that—

"The committee does not wish to do any innocent citizens any harm. If inadvertently any harm is done, we want to rectify it as quickly as possible. * * * if any person whose name is used * * * feels that he has been maligned or unjustly accused * * * or if they want to charge that any statement that has been made is untrue * * * if they make application to the committee or to our staff and give them an opportunity to make any explanation or to refute any charges that have been made, they can feel at perfect liberty to get in touch with any of us about it."

As one innocent citizen who has been seriously harmed by the completely unfounded testimony relating to me given by Mr. Daniel P. Sullivan, I avail myself of your invitation and urgently request that your committee take immediate steps to correct the transcript and I hereby offer to appear before your committee and to present evidence under oath that will completely refute the charges and innuendos made about me.

To lay a foundation for the fairness of my request I shall summarize briefly the testimony of Mr. Sullivan relating to me, how it has been interpreted by our local newspapers, how utterly false they are, what my business associations and reputation have been, and the irreparable economic, social, and personal harm that I have sustained.

On page 56 of the transcript, Mr. Sullivan testified as follows:

"Max Marmorstein is a hotel operator from Cleveland, Ohio. He maintains his office in the Ninth and Chester Building in Cleveland, Ohio, and his telephones were taken out of that office in 1943 because they were connected with

gambling operation. That building is the headquarters of the Empire News Service controlled by Mussy Wexler."

On page 57 he further testified as follows:

"Subsequent to 1941 Otto Lorentzen, a nephew of John Angersola, John Cardone, another relative of John Angersola, Abe Allenber, Max Marmorstein, John Angersola, and a brother, Fred Angersola, and Anthony Carfano were set out as being partners in the operation of that hotel. Carfano himself signed correspondence from the hotel as managing director. The hotel thereafter became a meeting place for well-known racketeers and gangsters from all over the country."

Obviously based on that testimony the printed interim report of your committee, No. 2370, lists my name on one of the charts in a box under "Wofford Hotel," which is connected with a smaller box, captioned "Erickson Agents." The Cleveland Plain Dealer, on August 20, reported on this information as follows:

"Max Marmorstein, Otto Lorentzen, and John Cardone, all listed with John Angersola as gambling agents for Erickson in the Wofford Hotel."

The above testimony and interpretation of it are utterly false. I have been engaged in the real-estate business, specializing in hotels, for about 30 years. During that period I have represented many important individuals, corporations, and banks who were interested in hotels and, in several instances, I was consulted by representatives of the United States Government to advise it on hotel operation, the last one involving a tax difficulty with the Commodore Perry Hotel in Toledo.

One of the companies that I have represented for about 30 years is Albert Pick Co., which at one time was interested in 82 hotels, including the Mayflower at Washington, the Roosevelt at New York, the Book-Cadillac at Detroit, and many others. Since 1922 I have been retained by that company, and by the banks which once controlled it, as a consultant on their hotel operations.

The above are only a few of the hotel operators whom I have represented and advised. I shall be glad to furnish the committee with the names of many others. I have also built many hotels, and during the past 10 years I built approximately 800 houses under FHA regulations.

Because of my reputation as an expert in hotel operation John King phoned me from Miami Beach in January 1941 and asked me to advise him about some problems he had with the Wofford Hotel and also with the Raleigh Hotel, then nearing completion. I met him in Florida in February 1941 and I undertook to supervise the operation of the hotels until the various problems were ironed out. This took several months, at the end of which I withdrew from all further participation in them. My services consisted entirely of acting as adviser and consultant about the management of the property, for which I received a modest fee.

The testimony that I was a partner with Cardone and others in the hotels is untrue. I was never a partner with anyone in the hotels and I never even met Cardone. The innuendo that I was an "Erickson agent" is completely without foundation. During the time I was rendering services for the Wofford neither Erickson nor any of the others named by Mr. Sullivan had an office there, nor one ever mentioned Erickson's name to me and I never met him.

The testimony that my telephone was taken out of my office in the Ninth and Chester Building in 1943 because they were connected with gambling operations was not only fantastically false but utterly irresponsible and reckless because the most superficial investigation would have disclosed its falsity. I did not move into the Ninth and Chester Building until January 1, 1945. My telephones were never disconnected in any office. My best recollection is that Empire News Service was a tenant in the building when I took over its management in January 1945, and it has continued as a tenant, occupying a small office of approximately 225 square feet of space since that time—so far as I knew there was no valid reason to require it to leave the building. The tenants in the building included representatives of a number of high-grade firms as well as several agencies of the Federal Government, which agencies occupy about 12,000 square feet of space in the building.

These false charges and innuendos have not only seriously damaged my character and reputation, caused deep humiliation to me and my family, subjected us to social ostracism, but caused specific economic losses in several respects which I shall be glad to disclose to the committee. Much of this damage can no longer be undone but, in the name of fair play, the committee should do everything within its power to repair this injury as far as that can be done.

I trust with this explanation you will be able to correct your records and the transcript of the testimony to accord with these facts. Please be assured that I shall be glad to supply you with any further information concerning me or my activities which you may care to have.

Thanking you in advance for your interest, I am

Respectfully yours,

MAX MARMORSTEIN.

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